



ALASKA ECONOMIC
TRENDS

January 2004

Leisure & Hospitality

Alaska Department of Labor
and Workforce Development

Frank H. Murkowski
Governor of Alaska

ALASKA ECONOMIC TRENDS

January 2004
Volume 24
Number 1

<http://almis.labor.state.ak.us>

ISSN 0160-3345

Alaska Economic Trends is a monthly publication dealing with a variety of economic-related issues in the state.

Alaska Economic Trends is funded by the Employment Security Division and published by the Department of Labor and Workforce Development, P.O. Box 21149, Juneau, Alaska 99802-1149.

Printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of \$1.53 per copy.

To contact us for more information, to subscribe, or for mailing list changes or back copies, email trends@labor.state.ak.us

Material in this publication is public information and, with appropriate credit, may be reproduced without permission.

Cover photo courtesy of Department of Commerce and Economic Development Alaska Photo Library

Trends is available on the Internet. See URL above.

Frank H. Murkowski, Governor of Alaska
Greg O'Claray, Commissioner of Labor
and Workforce Development

Joanne Erskine, Editor

Cover design by Sam Dapcevich

Email *Trends* authors at: trends@labor.state.ak.us

January *Trends* authors are staff with the Research and Analysis Section, Administrative Services Division, Department of Labor and Workforce Development.

Subscriptions:
trends@labor.state.ak.us
(907) 465-4500

Contents:

Leisure & Hospitality 3
A billion dollar industry that employs many Alaskans, entertains the rest, and is the hub of the visitor industry

The Brain Drain 15
About 38 percent of young Alaskans leave for jobs and college in the lower 48 and don't come back

Employment Scene 26
Manufacturing and Natural Resources
Trends in Alaska and the United States

Leisure & Hospitality

by Neal Fried and
Brigitta Windisch-Cole
Labor Economists

A billion-dollar industry that employs many Alaskans, entertains the rest, and is the hub of the visitor industry

Most Alaskans are involved in the Leisure & Hospitality sector of the economy in one of two ways: either they are employed in it, or they patronize its hotels, health clubs, bingo parlors, ski resorts, performing arts, or restaurants.

In 2002, the Leisure & Hospitality sector generated nearly 30,000 jobs in Alaska, which amounted to ten percent of the wage and salary workforce. (See Exhibit 1.) More than a billion dollars is spent every year in Alaska on its varied offerings.

Steady, faster than average growth

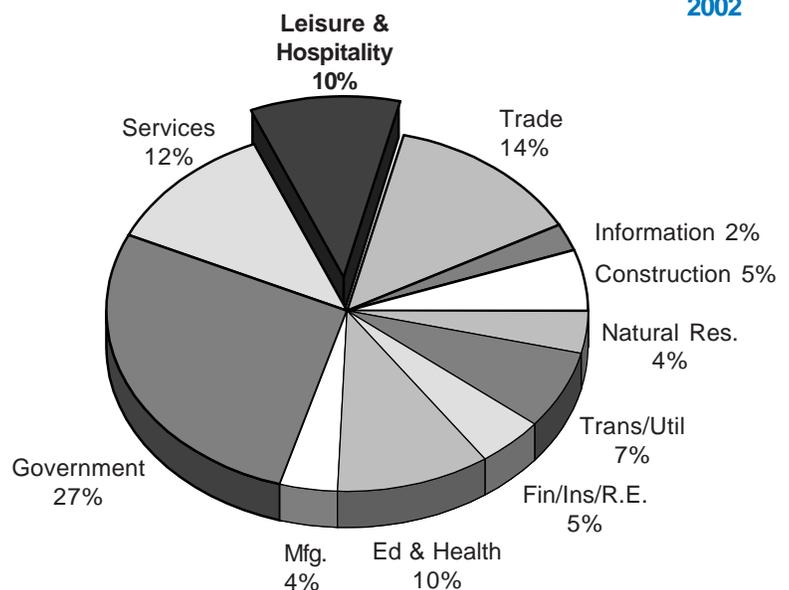
The Leisure & Hospitality sector is made up of three general groups: 1) the food service industry, 2) the accommodation industry, and 3) a loose grouping of employers called arts, entertainment and recreation (museums, zoos, golf courses, ski resorts, etc.).

Since 1990 this sector has grown steadily. (See Exhibit 2.) Over this period it has added employment at an average rate of 2.8 percent a year, versus 1.8 percent for total employment. The Leisure & Hospitality sector supports nearly 10,000 more jobs than it did in 1990 and has expanded its share of the Alaska employment pie. Fourteen of the 100 largest private employers in the state are tied to it. (See Exhibit 3.) In 1997, the industries included in this category recorded \$1.2 billion in sales, according to the Economic Census for Alaska.

Visitors are a big plus

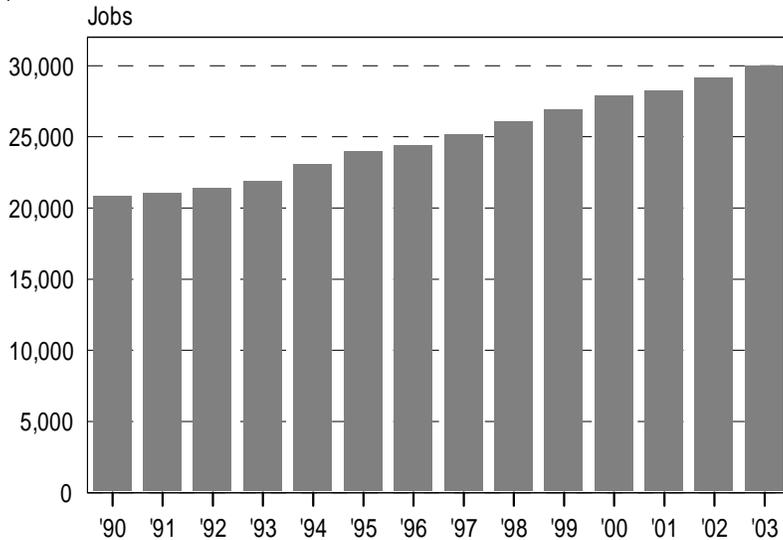
The above average growth largely corresponds to the dramatic expansion in services oriented toward the needs and wants of visitors. (See Exhibits 4 and 5.) Private travel is expected to increase in the U.S. with the rise in the number of retirees. Increased travel, both for pleasure and business, means increased employment in the accommodations industry, as well as the food service industry. A McDowell Group study esti-

Leisure & Hospitality Has 10% of wage and salary employment 2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

2 12 Years Steady Job Growth In Leisure & Hospitality



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

3 Alaska's Largest Employers In Leisure & Hospitality—2002

	Annual Average Employment
NANA Management Services	939
Doyon/Universal Ogden, JV	667
The Alaska Club	546
McDonalds Restaurants of Alaska	544
Alyeska Resort	496
Pizza Hut	473
Alaska Hotel Properties	437
Aramark Leisure Services	424
Westmark Hotels	395
Denali Foods (Taco Bell)	392
Burger King	381
Hotel Captain Cook	345
Hilton Hotel	319
Sky Chefs	270

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

mated that approximately a quarter of food services employment serves the needs of travelers. A significant share of the arts, entertainment and recreation group is also tied to tourism.

Local demand is also increasing

Increased local demand has played a major role in the growth of the eating and drinking industry. Today the average Anchorage consumer spends more than one third of his or her food dollar at food service establishments. There are many reasons for this, including changes in lifestyles and social roles. As more women have entered the labor force, time constraints often discourage the type of meals once prepared by traditional homemakers. Take-out food and home deliveries have become a more common part of daily life. Restaurant dining is another way to adapt to busy or conflicting schedules. After school and after work activities contribute to the demand for greater flexibility. Demographic changes, such as the growing percentage of older Alaskans, many of whom dine out or have meals delivered to their homes, have added to local demand.

Favorable demographics play a big role

By 2025, the number of persons over the age of 65 in the nation will have doubled from 35 million to over 70 million. Alaska will follow this national trend. In 2002, 223,000 Alaskans, or 35 percent of the state's population, were between the ages of 40 and 64. As this group moves into retirement age over the next 22 years, the demand for leisure services will increase. This will be further enhanced by expected gains in longevity, health, and disposable income.

Other age groups will also push up demand for leisure services. Leisure or playtime in today's society has become a scheduled event in many people's lives. Recreational sport businesses, for example, market their services to a much broader cross section of society than in the past. This expansion of services has involved providing support for activities that take place after working hours, during weekends and vacation. Children,

as well as young and working adults, can customize “off duty” activities according to their preferences.

Earnings are low

While the Leisure & Hospitality sector accounts for a growing number of jobs and an increasing share of the labor market, its payroll impact remains low. Total payroll for the sector amounted to only \$458 million in 2002. Construction wages by comparison added \$807 million to Alaska’s economy. Lower hourly wages as well as the part time and seasonal nature of many of the jobs in this sector result in monthly incomes that fall below average. (See Exhibits 6 and 7.)

Food services dominates

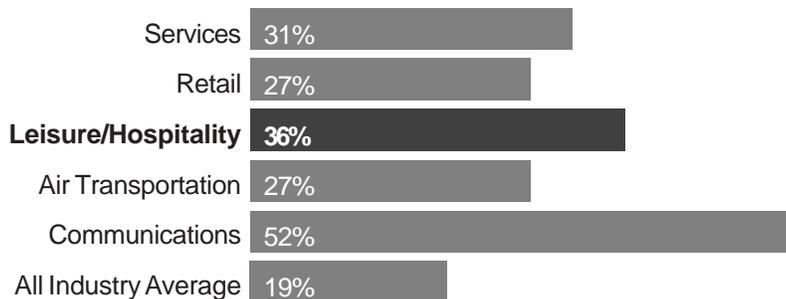
In Alaska, more than half the sector’s employment is tied to food services and nearly another third to accommodation. (See Exhibit 8.) This is quite different from the national picture where more than two thirds of the employment is related to food services and only 15 percent is attributed to accommodation. Alaska’s greater reliance on tourism accounts for its relatively larger accommodation industry. Last year Alaska had more than twice as many visitors as it had residents. All three groups contained within this sector have grown fast, but the smallest of the three, arts, entertainment and recreation, has grown nearly twice as fast as the other two. (See Exhibits 10 and 11.)

Leisure & Hospitality jobs are spread across the state

Leisure & Hospitality plays an important role in most areas of the state, (see Exhibit 12) but Anchorage accounts for nearly half the sector’s total employment. This is largely due to the fact that the city’s larger population supports a wide selection of eating and drinking establishments.

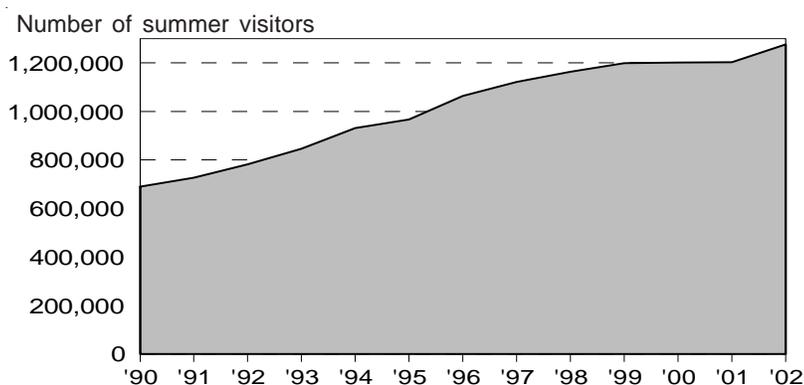
While other areas lack Anchorage’s variety, several are far more dependent upon the sector as a source of employment. In the Denali Borough, 43 percent of total wage and salary employment

One of State’s Job Growth Stars Over the 1992–2002 decade 4



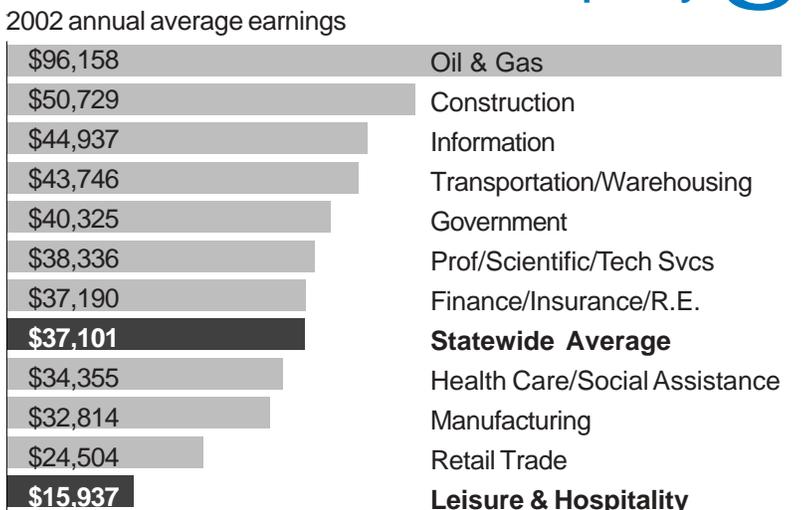
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Summer Visitors to Alaska Have doubled since 1990 5



Source: Alaska Department of Community and Economic Development, Division of Business and Community Development

Earnings are Low In Leisure & Hospitality 6



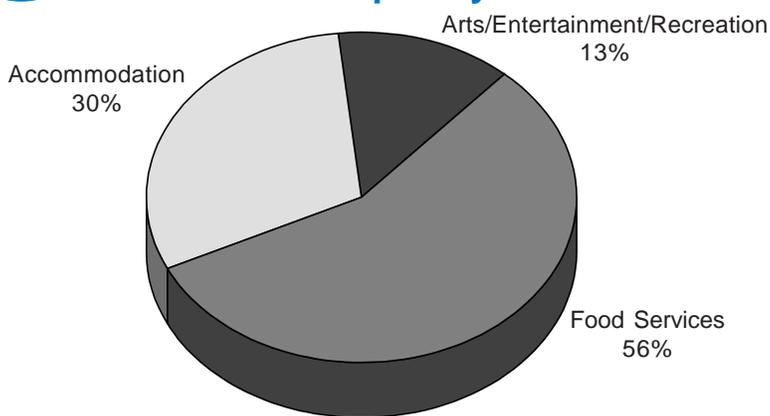
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

7 Leisure & Hospitality Employment Peaks in the summer



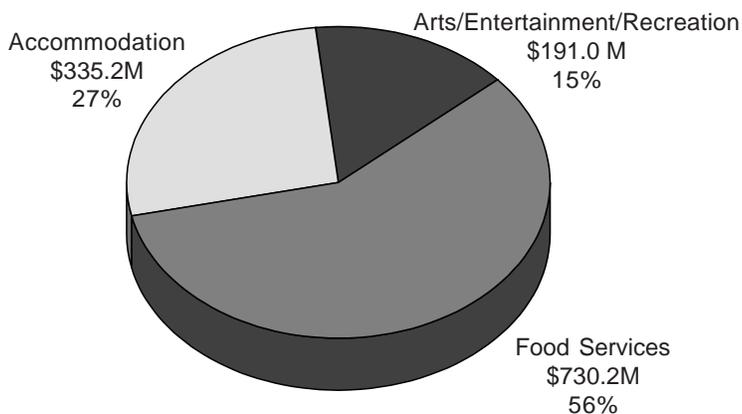
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

8 Food Services is the Big Employer In Leisure & Hospitality



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

9 Leisure & Hospitality Sales Exceed a billion dollars in Alaska



Source: U.S. Census Bureau, 1997 Economic Census

is in the Leisure & Hospitality sector. This underscores the tremendous impact that visitors to Denali National Park and the surrounding area have on the borough's economy. According to the 1997 Economic Census, spending on this sector in the Denali Borough was \$5,367 per resident versus the statewide average of \$2,061. (See Exhibit 13.) Clearly, most of this spending must be attributed to the more than 300,000 annual visitors to the park. The Denali Borough has 2,815 hotel rooms but only 1,886 residents. Some of the other places with an above average concentration of Leisure & Hospitality workers or per capita expenditures include the Kenai Peninsula, Haines, Juneau, Ketchikan, the Skagway-Hoonah-Angoon area, and Valdez-Cordova.

Accommodation—a major growth industry

The accommodation industry represents the second largest piece of the Leisure & Hospitality sector. In 2002 the industry generated 7,200 jobs, peaking at 10,400 in July. The dominant players are traditional hotels and motels, but the category also includes fishing and hunting lodges, rooming houses, RV parks, campgrounds, youth hostels, and bed and breakfasts. Some food services employment spills over into accommodation because many hotels have restaurants. In most cases such employment would be counted under accommodation. Employment in accommodation has been growing considerably faster than overall employment during the past decade—2.8 percent per year compared to 1.8 percent for the overall wage and salary workforce, matching Leisure & Hospitality's 12-year growth rate. In July of 1992, this industry had 7,600 jobs compared to 10,600 in July of this year. But the employment figures only tell a small part of this story—more impressive is the number of new hotels built in recent years.

Hotel construction boom ignited in 1997

Since 1997, at least 30 new hotels have been built in the state. (See Exhibit 14.) Added up, this put more than 4,200 new rooms on the market. The largest was the Marriott in Anchorage with 392

rooms, while one of the smaller facilities was the Narrows in Ketchikan with 47 rooms. Alaska's largest city, Anchorage, was home to the largest number of new hotels and rooms.

Room inventory is way up

Half of the hotels built since 1997 are located in Anchorage. In 1996, prior to this boom, the City of Anchorage had 6,650 rooms for rent that were taxable. Room capacity since 1997 has increased by nearly 30 percent, not including the more than 100 rooms that were added due to expansions of existing hotels, or the expansions currently underway. Four new hotels broke ground in late 2003 that will add another 447 rooms to the Anchorage hotel market during 2004. There are also plans for at least two other properties.

This construction boom has literally changed the Anchorage landscape. Many of these new rooms were added in the midtown area, which prior to 1997 was home to a few relatively small hotels. Another hot spot for new hotel construction has been the airport area. Downtown experienced both new construction and extensive renovation activity.

The growth in hotels in Anchorage is reflected in the increase in the bed taxes collected. In 1997 Anchorage collected \$8.5 million in bed taxes and by 2002 this figure had grown to \$11.1 million—a 31 percent increase in collected revenues.

Hotels change communities

Anchorage was not the only beneficiary of the "hotel boom". Talkeetna also experienced an economic transformation based on new hotel construction. Prior to 1997, Talkeetna's visitor industry catered mostly to mountain climbers and independent visitors. But this all changed in 1997 when the Mt. McKinley Princess Wilderness Lodge (which now has 334 rooms) was built just inside Denali State Park, 40 miles from Talkeetna. In 1999 the Talkeetna Alaska Lodge opened its doors and added 201 rooms to the area's total. Now thousands of organized/cruise tour visitors stay in the area. The opening of these two hotels

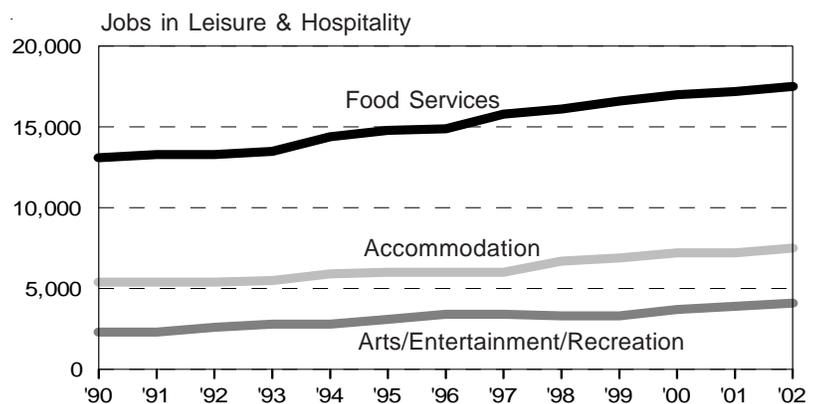
led to a significant increase in other businesses catering to visitors in the Talkeetna area. Both hotels are now among the Mat-Su Borough's largest employers. An example of their impact lies in the bed tax receipts collected by the borough. In 1997, bed tax receipts in the Mat-Su Valley added up to \$157,000. By 2003 they had reached \$660,000. Similar economic development occurred in the Copper Center area. When it opened in 2002, the Copper River Princess Wilderness Lodge became one of the largest employers in the region. Its location also

Employment Nearly Doubled 10 In arts, entertainment & recreation



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

All Parts of the Industry 11 Have grown



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

12 Leisure & Hospitality Employment

By area—2002

	Annual Average Employment					Leisure and Hospitality Employment as a Percent of Total Employment
	Accommodation	Food Services and Drinking	Arts, Entertainment, and Recreation	Leisure and Hospitality	Total Employment	
Alaska Statewide	7,199	17,472	3,952	28,623	290,003	9.9%
Anchorage/Mat-Su Region	3,091	10,672	1,960	15,723	151,716	10.4%
Municipality of Anchorage	2,863	9,536	1,745	14,144	137,811	10.3%
Mat-Su Borough	228	1,136	215	1,579	13,905	11.4%
Gulf Coast Region	1,072	1,743	349	3,164	27,904	11.3%
Kenai Peninsula Borough	603	1,292	297	2,192	17,614	12.4%
Kodiak Island Borough	195	288	21	504	5,617	9.0%
Valdez-Cordova	274	163	31	468	4,673	10.0%
Interior Region	1,515	2,898	548	4,961	40,753	12.2%
Denali Borough	394	472	44	910	2,101	43.3%
Fairbanks North Star Borough	1,030	2,308	485	3,823	34,882	11.0%
Southeast Fairbanks	50	105	3	158	1,610	9.8%
Yukon-Koyukuk	41	13	16	70	2,160	3.2%
Northern Region	75	421	165	661	15,947	4.1%
Nome	29	112	67	208	3,702	5.6%
North Slope Borough	27	262	69	358	9,252	3.9%
Northwest Arctic Borough	19	47	29	95	2,993	3.2%
Southeast Region	1,223	1,629	818	3,670	35,568	10.3%
Haines Borough	39	67	83	189	893	21.2%
Juneau Borough	516	705	546	1,767	17,331	10.2%
Ketchikan Gateway Borough	258	349	105	712	6,730	10.6%
Prince of Wales-Outer Ketchikan	51	74	9	134	1,818	7.4%
Sitka Borough	148	201	47	396	4,298	9.2%
Skagway-Hoonah-Angoon	130	107	16	253	1,552	16.3%
Wrangell-Petersburg	36	106	10	152	2,610	5.8%
Yakutat Borough	45	20	2	67	336	19.9%
Southwest Region	223	109	112	444	18,115	2.5%
Aleutians East Borough	8	1	0	9	1,710	0.5%
Aleutians West	8	40	18	66	3,349	2.0%
Bethel	33	31	49	113	6,846	1.7%
Bristol Bay Borough	37	14	1	52	998	5.2%
Dillingham	60	23	0	83	2,349	3.5%
Lake & Peninsula Borough	77	0	44	121	626	19.3%
Wade Hampton	0	0		0	2,237	0.0%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

became a gateway to a new tourism area—the Wrangell-St. Elias National Park and Preserve, a largely untouched landscape of incomparable beauty.

Fairbanks was also no slacker when it came to new hotel construction. Since 1997, four new hotels with 511 new rooms were added to the scene. To this total, at least 160 more rooms were added to existing or renovated properties. In early 2004, the Fairbanks Westmark will have an additional 264 rooms ready for occupancy. Although Denali Park gained only two major new hotels during this five-year period, a number of existing hotels expanded, adding a significant number of rooms. Princess Tours is currently spending \$26 million adding 80 rooms at their Denali Wilderness Lodge and 96 rooms to their Mt. McKinley Wilderness Lodge. Both lodges are in Denali National Park and they will be ready some time in the summer of 2004.

In Southeast Alaska, new hotel growth was moderate given the dramatic increase in the number of visitors. Of the three new hotels, two were built in Juneau and one was in Ketchikan. The moderate growth is related to the fact that most of the area’s visitor industry is based on cruise ship activity, which generates little demand for hotel rooms.

Hotel taxes help fill public coffers

In 2002, 35 different Alaska communities collected a combined total of more than \$19 million in tax receipts. (See Exhibit 15.) Just ten years ago that figure was \$9.8 million. (See Exhibit 16.) Some of this increase can be explained by the fact that more communities are levying bed taxes. The number grew from 18 communities in 1992 to at least 35 in 2002.

To raise more revenue, some communities have increased their tax rates. The rates vary from a high of 10 percent in communities such as Dillingham and Pelican to a low of \$4 dollars per night in Wrangell. Three places collect more than a million dollars per year. The Denali Borough with only 1,886 residents is one of those, while

the other two are the much larger communities of Fairbanks and Anchorage. For the Denali Borough, hotel taxes provide the major source of locally generated revenues. In 2003, 74 percent of the borough’s revenues came from its seven percent bed tax. In addition to the bed tax, the McDowell Group estimated that communities around the state collected another \$22.2 million in real property taxes in 2002.

Leisure & Hospitality Sales 13 1997

	Total Expenditures	Per Capita Spending
Statewide	\$1,256,517,000	\$2,061
Aleutians West Census Area	na	
Aleutians East Borough	na	
Anchorage, Municipality of	665,917,000	2,614
Bethel Census Area	5,866,000	376
Bristol Bay Borough	na	
Denali Borough	10,170,000	5,367
Dillingham Census Area	na	
Fairbanks North Star Borough	133,750,000	1,630
Haines Borough	na	
Juneau City/Borough	72,130,000	2,428
Kenai Peninsula Borough	75,899,000	1,591
Ketchikan-Gateway Bor.	34,616,000	2,387
Kodiak Island Borough	18,828,000	1,380
Lake and Peninsula Borough	na	
Matanuska-Susitna Borough	47,495,000	911
Northwest Arctic Borough	na	
Nome Census Borough	na	
North Slope Borough	na	
Prince of Wales Census Area	9,063,000	1,319
Sitka City/Borough	16,772,000	1,926
Skagway-Hoonah-Angoon	9,931,000	2,707
Southeast Fairbanks Census Area	na	
Valdez-Cordova Area	23,193,000	3,709
Wade Hampton Census Area	na	
Wrangell-Petersburg Census Area	6,857,000	960
Yakutat Borough	na	
Yukon Koyukuk Census Area	na	

na = not available

Source: Bureau of the Census, 1997 Economic Census

14 New Hotels in Alaska That opened since 1997*

	Opened	Location	Rooms/ Suites
Denali Bluffs	1997	Denali Park	112
Courtyard/Marriott	1997	Anchorage	154
Hampton Inn	1997	Anchorage	101
Microtel	1997	Anchorage	79
Mt. McKinley Princess Wilderness Lodge	1997	Parks Highway	238
The Narrows	1997	Ketchikan	47
Clarion	1998	Anchorage	111
Frontier Suites	1998	Juneau	104
Ramada Inn	1998	Anchorage	50
Springhill Suites/Marriott	1998	Anchorage	102
Hawthorne Suites	1999	Anchorage	110
Holiday Inn Express	1999	Anchorage	128
Marriott/Columbia Sussex	1999	Anchorage	392
Residence Inn/Marriott	1999	Anchorage	148
River's Edge	1999	Fairbanks	94
Seward Windsong Lodge	1999	Seward	108
Talkeetna Alaska Lodge	1999	Talkeetna	200
The Edgewater	1999	Seward	76
Aspen Hotel	2000	Juneau	94
Pike's Landing	2000	Fairbanks	180
Aspen Hotel	2001	Fairbanks	97
Grande Denali Lodge	2001	Denali Park	160
Springhill Suite by Marriott	2001	Fairbanks	140
Aspen Hotel	2002	Soldotna	63
Copper Center Princess Wilderness Lodge	2002	Copper Center	85
Dimond Center	2002	Anchorage	109
Hilton Garden Inn	2002	Anchorage	125
Aspen Hotel	2003	Anchorage	89
Ramada Inn (formerly Howard Johnson)	2003	Anchorage	90
Eagle River Microtel Inn and Suites	2003	Eagle River	60
Aspen Suites Hotel*	2004	Anchorage	138
Homewood Suites-Hilton*	2004	Anchorage	120
Fairfield Inn*	2004	Anchorage	106
Motel 6*	2004	Anchorage	83

*Started construction in 2003 and will open for business during the 2004 season.

Source: Alaska Department of Labor, Research and Analysis Section, Survey 2003; and Anchorage Convention and Visitor Bureau.

Food Services and Drinking Places

As previously mentioned, the largest employment group within the Leisure & Hospitality sector is food services, which includes drinking places. An article in the July 2002 issue of *Alaska Economic Trends* explored trends in the food services and drinking industry up until 2001. This discussion will follow its continued performance.

Food services has four branches

As noted above, food and drink businesses claimed 56 percent of Leisure & Hospitality employment in 2002. The group is divided into four distinct branches: full service restaurants, limited-service eating places, food service contractors including caterers, and drinking places. In 2002 full service restaurants claimed 39 percent of the industry's employment; limited service establishments had a 38 percent share; drinking places employed 12 percent; and the remaining 11 percent belonged to food service contracting businesses.

The four categories describe different styles of service. In full-service restaurants patrons usually pay after the meal. In limited-service eating places customers usually pay before they eat. Drinking places include taverns, bars, and nightclubs; they serve mainly alcoholic beverages and have a limited eating menu. Food contracting services include cafeterias, industrial and private caterers, food concession contractors in public meeting places and mobile food services.

Employment growth continues

In 2002, employment in food and drink businesses provided more than 17,700 wage and salary jobs. The addition of 550 new jobs in 2002 translated into an industry growth rate of 3.2 percent and came in above its 10-year average growth rate of 2.9 percent. Employment grew in all three food service divisions but it declined in the drinking category. Geographically the gain of jobs during 2002 in the eating and drinking industry was concentrated in Anchorage, which claimed over two thirds of the new jobs. The

remaining gain was widely disbursed. The industry continued to grow during the first half of 2003. Employment was up by 3.5 percent over the same period in 2002. Several new restaurants have opened since 2001, mostly casual eating places such as family and foreign food restaurants and cafés.

Industry performance is up everywhere

The food and drink industry is also performing above average in the nation. Between 1992 and 2002 national industry employment growth averaged 2.4 percent, outpacing total national employment growth of 1.8 percent. The industry also showed resilience during the most recent recession that started in 2001. Average annual employment in the industry was up 52,600 jobs in 2002, when the U.S. economy shed 1.45 million jobs. Moreover, jobs in the industry continued to grow in 2003 while most other industries were struggling to regain ground.

In the economy of yesteryear, when the industry was linked to income and the well-being of the economy, such performance amidst a recession would be hard to explain. But times have changed and so have eating habits. Competition among food service businesses and efficiencies have led to lower prices. Fast food, for example, may not be much costlier than food made at home. Moreover, busy schedules of dual-income couples allow little time for grocery shopping, food preparation, and kitchen cleanup. For many people regular dining-out experiences have become the norm. Eating out has become associated more with nourishment than with entertainment away from home.

Payrolls became larger and the average paycheck rose

The combined payroll in food services and drinking places was up seven percent in 2002, whereas average employment increased by 3.2 percent. The industry's monthly earnings in 2002 averaged \$1,228 compared with \$1,185 in 2001, an increase of 3.6 percent. Monthly earnings, however, remained at the low end of Alaska's

Region and Community	Bed Tax Rate	Bed Tax Revenue
Anchorage/Mat-Su Region		
Anchorage	8%	\$11,101,361
Matanuska-Susitna Borough	5%	627,201
Interior Region		
City of Fairbanks	8%	1,903,059
Fairbanks North Star Borough	8%	1,061,135
Denali Borough	7%	1,243,207
Northern Region		
Kotzebue	6%	40,390
Nome	4%	84,275
Gulf Coast Region		
Cordova	6%	53,455
City of Kodiak	5%	113,433
Kodiak Island Borough	5%	50,672
Port Lions	5%	3,798
Seward	4%	209,458
Valdez	6%	296,162
Southwest Region		
Aleknagik	5%	6,574
Bethel	3%	54,292
Bristol Bay Borough	6%	38,601
Cold Bay	8%	12,581
Dillingham	10%	47,772
Lake and Peninsula Borough	6%	124,006
Sand Point	7%	4,757
Unalaska	5%	114,504
Southeast Region		
Juneau, City and Borough	7%	961,700
Angoon	3%	9,244
Haines Borough	4%	79,762
City of Ketchikan	6%	310,135
Ketchikan Gateway Borough	4%	28,244
Klawock	6%	3,612
Pelican	10%	3,594
Petersburg	4%	38,529
Port Alexander	6%	1,611
Sitka, City and Borough	6%	264,659
Skagway	8%	105,174
Tenakee Springs	6%	1,122
Wrangell	\$4/night	17,664
Yakutat, City and Borough	4%	61,024
Total Bed Taxes Collected		\$19,076,767

Source: Alaska Department of Community and Economic Development

industry earnings scale. In the food and drink industry paychecks usually register low because of the preponderance of part-time employment and lower than average wages for food service workers, who form the largest occupational group in the industry.

And now, arts, entertainment and recreation

The third employment group in the Leisure & Hospitality sector is made up of arts, entertainment, and recreation. While hotels, restaurants and bars fit more easily under the hospitality heading, the arts, entertainment and recreation group is more associated with leisure. Webster's New World Dictionary defines "leisure" as free, unoccupied time during which a person may indulge in rest, recreation, etc.

As it has in the rest of the nation, the arts, entertainment, and recreation group has shown dynamic growth in Alaska. Over the last decade, national jobs in this sector grew more than twice as fast as overall wage and salary employment, and in Alaska they grew nearly

three times as fast. Robust growth on the national and local front is expected to continue as the U.S. population ages and acquires more leisure hours, especially through retirements.

Performance is linked to the state of the economy

Employment trends in arts, entertainment and recreation are closely linked to the overall performance of the economy. Hence the drop in employment during the most recent national recession. In 2002, U.S. employment in arts, entertainment and recreation fell 2.5 percent below its 2001 level. Alaska saw no such decline, and in fact added 5.1 percent more arts, entertainment and recreation jobs in 2002.

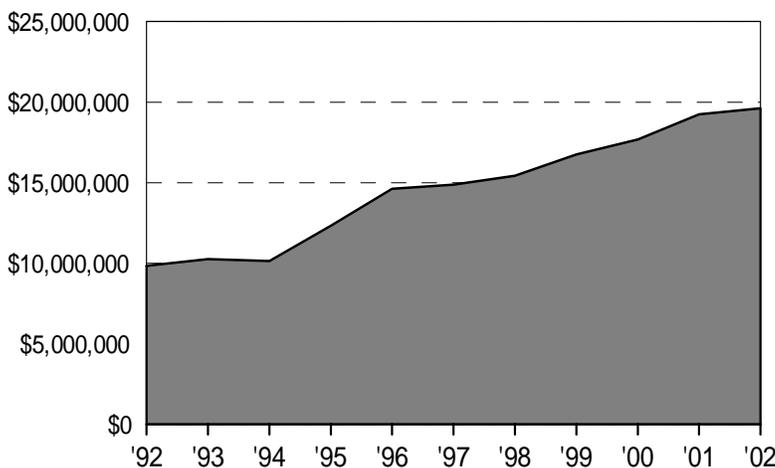
Recreational industries employ the most

Despite its growth, employment is still relatively small in the arts, entertainment and recreation group. In Alaska and in the rest of the nation it accounts for just 1.4 percent of total employment. In 2002, the annual average employment count came in at 3,952 in Alaska. The largest sub-category was recreation and amusement, which employed 79 percent of all employees in this group, followed by arts at 13 percent and museums, historical sites and similar institutions at eight percent. (See Exhibit 17.)

Among recreation employers, fitness clubs are number one

Fitness and recreational sports centers were the largest employer, averaging nearly 1,200 jobs in 2002. Gambling businesses were second in terms of employment, with an annual base of nearly 750, although Alaska is not usually thought of as a gambling state. Bingo parlors and pull tab retail stores and distributors make up the lion's share of Alaska's gambling industry. The "other recreation" category posted just over 600 jobs in 2002, although it had the largest number of individual firms or organizations.

16 Community Bed Tax Revenues Doubled over past decade



Source: Alaska Department of Community and Economic Development

The other important recreational category

There were 200 businesses listed in the “other amusement and recreation industries” group that had at least one employee in any month of the year. Only 19 percent had at least one employee in every month. Organizations with year-round employment included swim and soccer clubs and similar entities. Most other companies showed highly seasonal employment. In 2002, employment in this category showed 257 jobs in January that swelled to 1,260 in July.

In Alaska, this “other” category includes many sightseeing tour companies, rafting, canoe and kayaking enterprises, outfitters, fish and game guides and other specialized businesses that cater mainly to a visitor clientele and underscore the importance of niche markets within Alaska’s tourism industry. Alaska is widely known as an angler’s paradise and a realm of exotic and challenging hunts. It is also gaining fame as a water sports mecca for canoeists, kayakers and rafting enthusiasts.

Additional recreational employers

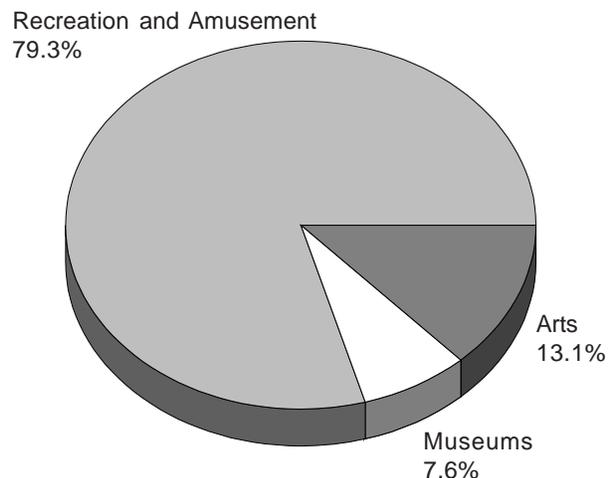
Amusement parks, golf courses, bowling centers, ski facilities, and marinas are additional sites for recreational activities. Most of these businesses serve the local population. Combined employment in this miscellaneous group came in at just over 400 in 2002. With the exception of five amusement centers that employed a combined total of 74 employees, all other establishments were sports related. The only indoor recreational specialty is bowling; its employment fluctuated the least among the sports disciplines. All other sport organizations had distinct seasons, and more fluctuation in employment over the course of the year.

In the art division, classical art and saloon art become companions

Employment in performing arts, spectator sports and related industries averaged 521 in 2002. This is a fairly limited, but diversified group of employers. The variety of performing arts groups, for example, contains classical theater groups as well as nightclub dancers and performance groups who entertain primarily visitors. Among spectator sports the dominant employer was Anchorage’s Aces hockey team, Alaska’s only professional sports team. Several baseball clubs and dog sled race associations or kennels also belonged to the spectator sports industry. Among arts promoters, the Alaska State Fair, Inc. was the largest employer.

Independent artists are an additional division of the arts group. This category, however, excludes the self-employed independent artist because only companies with employees are included in employment statistics. The independent artist group is dominated by taxidermists.

Recreation and Amusement 17 Has most of the Leisure jobs Wage and salary employment 2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The public sector often manages museums and historical sites

Private sector employment in museums and historical sites averaged only 302 jobs in 2002. This understates the number of employees actually working for such cultural establishments. Alaska's larger museums, for example, are public sector organizations and their employees are counted in government employment. The museum at the University of Fairbanks and the Anchorage Museum are examples of such public sector entities. Among private sector employers, the Sealife Center in Seward and the Alaska Native Heritage Center in Anchorage were the largest.

Conclusion

In recent years the state's Leisure & Hospitality sector has been one of Alaska's most dynamic, and this trend is likely to continue. What almost insures the continuation of this trend is the growth in both the visitor industry and the local pursuit of leisure. With the shock of 9/11 falling further behind us and the emergent recovery of the national economy, Alaska's visitor industry should enjoy renewed growth. Many are obviously banking on this future, given the amount of investment that has been made in new hotels and other visitor related businesses. As is true with the rest of the country, demographics and other factors also favor sustained growth in the Leisure & Hospitality sector.

About the Leisure & Hospitality Sector Category

The sector categorized as Leisure & Hospitality came into being in 2003 when the 70-year-old Standard Industrial Classification codes (SIC) were replaced by the new North American Industry Classification System (NAICS). This new category contains two broad groups, hospitality and leisure. Accommodation and food services are divisions within the hospitality group. Arts, entertainment and recreation are divisions within leisure services. The former is largely made up of hotels and other types of lodging and eating and drinking places. Arts, entertainment and recreation include 25 separate industries, including businesses as diverse as golf courses,

bowling alleys, historical sites, canoe rentals, and concerts. Because of its coverage, this sector is of considerable interest to the Alaska visitor industry. Some might even want to use it as a proxy for the industry. Caution must be exercised here for two reasons. Major parts of the visitor industry, such as transportation and retail trade, are not captured in the Leisure & Hospitality sector, and a healthy slice of the activity is generated by local residents. In spite of these shortcomings, the ebb and flow of the state's Leisure & Hospitality sector could become an important economic indicator for the visitor industry.

The Brain Drain

by Jeff Hadland
Economist

About 38 percent of young Alaskans are leaving for college and jobs in the lower 48 and not coming back

Alaska has one of the highest migration rates in the nation. The general belief is that a disproportionately large percentage of Alaska's young adults leave Alaska after high school or after pursuing some postsecondary education in the state. Also, it is widely assumed that the percentage of Alaskans that continue their education beyond high school is among the lowest in the nation. This report presents data to quantify these phenomena, sometimes characterized as a "brain drain".

This report tracks a study group of 16,114 young Alaskans, age 15-16 in 1994 (1994 Youth). It follows them through their postsecondary education in Alaska and at out-of-state institutions. It examines these data to determine how many of the original study group are currently employed in Alaska.

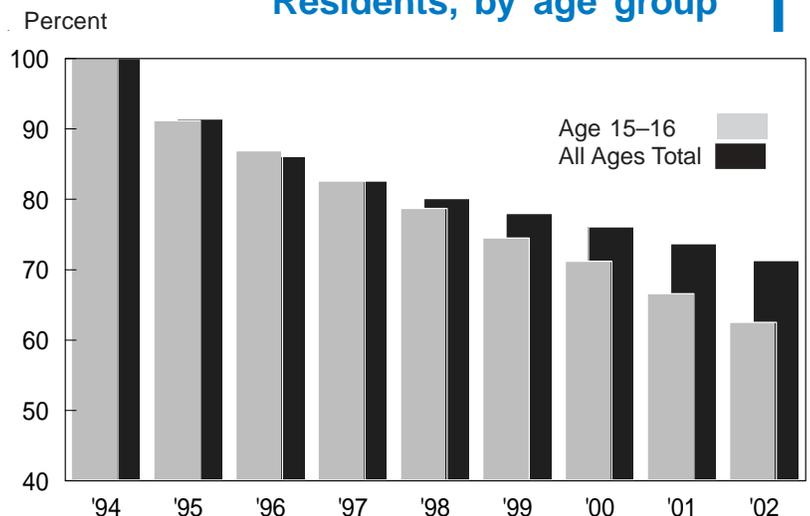
Summary of Findings

- Just over 62 percent of youth age 15-16 in 1994 were still Alaska residents in 2002, compared with 71.3% of the total Alaska population.
- A little more than 55 percent of the 1994 Youth group reported some postsecondary education, nearly identical to the postsecondary education rate of a group of 17-18 year old Alaska youth in 2000.
- Approximately 62 percent of the 1994 Youth that pursued postsecondary education did so exclusively in Alaska.
- More than 84 percent of the 1994 Youth that had received their postsecondary education exclusively in Alaska were still Alaska residents in 2002, while only 51 percent of those that had received postsecondary education exclusively outside the state were Alaska residents in 2002.

- Nearly 70 percent of the 1994 Youth with postsecondary education attended the University of Alaska at some time from 1996 through 2002.
- More than 12 percent of the total 1994 Youth group earned one or more degrees as of the end of 2002.
- Nearly 54 percent (8,659) of the 1994 Youth group were employed in Alaska in 2002 based upon a match with Alaska unemployment insurance (UI) wage records. Average 2002 earnings varied by educational attainment; youth who had earned a degree at the University of Alaska were the highest earners.

The number of young Alaskans entering the labor force each year is rapidly increasing. In 2002 there were nearly twice as many 16-year-old Alaskans (11,246) as there were new jobs created in Alaska from 2001 to 2002 (6,500). Nevertheless, a significant number of employment

1994 Population Still Alaska Residents, by age group



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, and Alaska Permanent Fund

2 1994 Population Still Alaska Residents, percent by age group

Age Group	1994	1995	1996	1997	2002
14 and Under	100	91.5	86.9	83.9	74.8
15-16	100	91.2	86.9	82.6	62.3
17-19	100	88.9	82.3	77.2	61.2
20-29	100	87.8	80.6	76.0	65.9
30-39	100	92.1	86.8	83.5	74.1
40-49	100	93.4	89.2	86.5	76.2
50+	100	91.5	86.2	82.1	65.9
Total	100	91.4	86.1	82.6	71.3

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, and Alaska Permanent Fund

opportunities are available to new entrants to the labor force. The number of new hires each quarter, already large, (see Exhibit 17) may soon increase, as a high percentage of Alaska's workforce approaches retirement age. However, numbers don't tell the whole story; the likelihood exists of a mismatch between the skills of new workers and job openings. Youth face an obvious disadvantage in competition with more experienced workers. The lure of the much larger job markets to the south cannot be ignored. Tracking the postsecondary education and employment patterns of young Alaskans can be helpful in determining priorities and programs in the coming years. Such findings can be used to enhance job opportunities for young Alaskans.

3 1994 Youth Place of Residence 1994 and 2002

1994 Youth group characteristics

The study group mentioned earlier had significantly more males (52.5%) than females

Residence in 1994

Residence in 2002

	Same Borough Census Area (C.A.)		Moved to Other Borough/C.A.		Outside Alaska		Total
	Number	Percent	Number	Percent	Number	Percent	
	Aleutians East	23	60.5	7	18.4	8	
Aleutians West	24	34.8	18	26.1	27	39.1	69
Anchorage	3,180	52.2	515	8.5	2,394	39.3	6,089
Bethel	316	71.3	59	13.3	68	15.3	443
Bristol Bay	8	27.6	10	34.5	11	37.9	29
Denali	21	39.6	15	28.3	17	32.1	53
Dillingham	87	66.9	28	21.5	15	11.5	130
Fairbanks	937	47.3	198	10	847	42.7	1,982
Haines	19	25.7	22	29.7	33	44.6	74
Juneau	288	31.9	186	20.6	430	47.6	904
Kenai	593	42.1	233	16.5	583	41.4	1,409
Ketchikan	162	37.9	54	12.6	212	49.5	428
Kodiak	141	39.3	70	19.5	148	41.2	359
Lake and Peninsula	26	50	18	34.6	8	15.4	52
Mat-Su	769	45.7	319	19	594	35.3	1,682
Nome	180	63.4	64	22.5	40	14.1	284
North Slope	117	62.9	34	18.3	35	18.8	186
Northwest Arctic	136	64.8	41	19.5	33	15.7	210
Prince of Wales-Outer Ketchikan	75	41	35	19.1	73	39.9	183
Sitka	95	39.4	42	17.4	104	43.2	241
Skagway-Hoonah-Angoon	33	30.8	32	29.9	42	39.3	107
Southeast Fairbanks	70	33.7	75	36.1	63	30.3	208
Valdez-Cordova	88	31.2	75	26.6	119	42.2	282
Wade Hampton	141	71.2	36	18.2	21	10.6	198
Wrangell-Petersburg	65	36.3	36	20.1	78	43.6	179
Yakutat	9	37.5	8	33.3	7	29.2	24
Yukon-Koyukuk	110	45.1	88	36.1	46	18.9	244
Unknown	0	0	6	22.2	21	77.8	27
Total	7,713	47.9	2,324	14.4	6,077	37.7	16,114

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

(47.5%). Males outnumbered females in all age groups in Alaska in 1994. Consistent with the overall population distribution in Alaska, 37.8% of the 1994 Youth population reported their residence in Anchorage, 12.3% in Fairbanks, 10.4% in Mat-Su and 8.7% in Kenai.

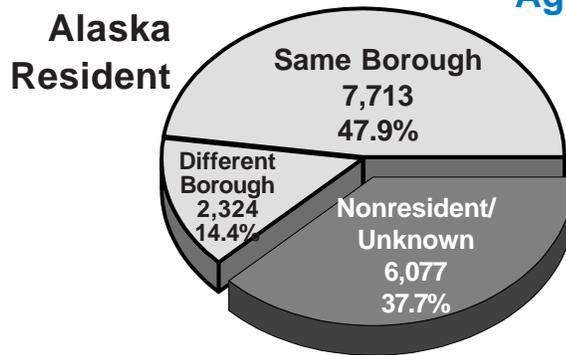
No information is currently available indicating whether the 1994 Youth were Alaska high school students in 1994 or graduated from an Alaska high school. In 1996 and 1997, the Alaska Department of Education and Early Development reports 12,209 high school graduates from Alaska school districts. This represents a large percentage of the total high school graduation age population for those years. (The statewide dropout rate for grades 7-12 ranged from 3.4% to 4.1% from 1996 to 1998.)

For purposes of comparison, a second group of Alaska youth age 17 to 18 in 2000 was selected and matched with administrative data. This group of recent high school graduation age youth was examined to determine employment and postsecondary education decisions shortly after their high school years.

Outmigration from Alaska-1994 to 2002

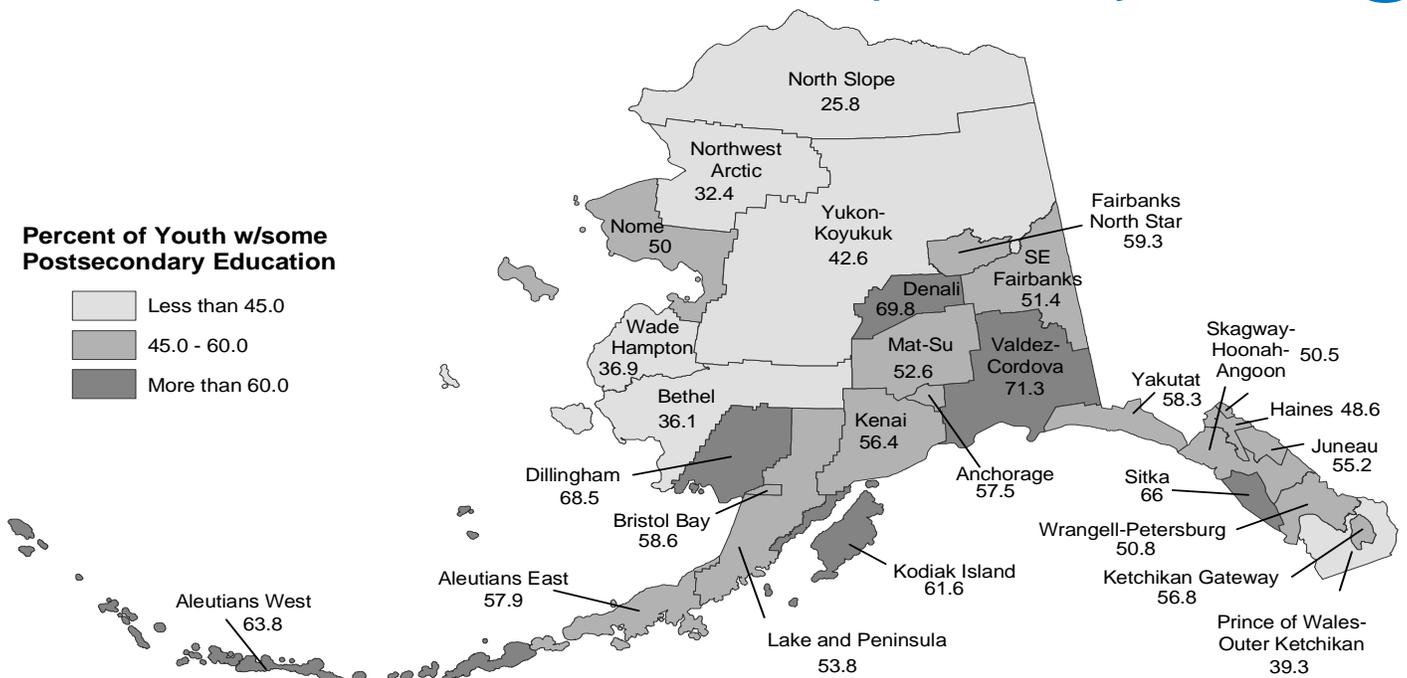
Older youth and young adults typically have the highest migration rates of any population group. This is typically the time when individuals are either continuing their education or considering a serious job or career. In order to achieve these goals, many consider moving to another location. Although the majority of Alaska's 1994 Youth

2002 Residence of 1994 Youth Age 15-16 4



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Percent of 1994 Youth With some postsecondary education 5



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

6 Where 1994 Youth Did Their Postsecondary studies And employment status

study group chose to continue their work and/or education close to home, approximately 38 percent chose to leave Alaska to pursue their long-term goals.

Due primarily to outmigration, there was a significant decline in the number of Alaska 1994 Youth from 1994 though 1997, when most of the students would have been old enough to graduate from high school. In 1997, 82.6% of the 1994 Youth group were still Alaska residents based upon PFD application. By 2002, only 62.3% of this population were still Alaska residents. (See Exhibit 1.)

	Resident			Alaska Employed 2002	
	Total	Number	%	Number	%
No Postsecondary Reported	7,211	4,202	58.3	3,623	50.2
Alaska Only	5,537	4,679	84.5	4,207	76
Outside Alaska Only	1,190	607	51	428	36
Inside and Outside Alaska	2,176	549	25.2	400	18.4
Total	16,114	10,037	62.3	8,658	53.7

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

7 Education, Residency, and Employment of youth

	Youth Age 15-16 in 1994					Youth Age 17-18 in 2000				
	Youth	Post-secondary	Degree	Alaska Resident in 2002	Alaska Employed 2002	Youth	Post-secondary	Degree	Alaska Resident in 2002	Alaska Employed 2002
Aleutians East	38	22	4	30	24	54	27	0	48	38
Aleutians West	69	44	11	42	44	75	38	1	60	48
Anchorage	6,089	3,503	843	3,695	3,146	7,587	4,207	40	6,619	5,400
Bethel	443	160	17	375	356	552	221	3	517	442
Bristol Bay	29	17	4	18	15	39	28	0	33	28
Denali	53	37	10	36	30	60	38	2	55	38
Dillingham	130	86	9	115	100	153	99	1	145	109
Fairbanks	1,982	1,176	295	1,135	971	2,413	1,418	17	2,091	1,769
Haines	74	36	8	41	42	98	53	1	80	69
Juneau	904	499	118	474	434	1,213	643	11	1,015	856
Kenai	1,409	794	192	826	693	1,838	1,191	11	1,597	1,265
Ketchikan	428	243	48	216	201	439	231	2	361	284
Kodiak	359	219	41	211	175	393	262	7	329	256
Lake and Peninsula	52	28	2	44	38	73	42	0	61	56
Mat-Su	1,682	885	198	1,088	914	2,311	1,200	24	2,008	1,582
Nome	284	141	22	244	212	318	145	2	292	246
North Slope	186	47	3	151	133	257	84	0	227	205
Northwest Arctic	210	68	9	177	159	259	84	0	241	196
POW-Outer Ketchikan	183	72	10	110	90	208	91	0	172	126
Sitka	241	157	28	137	121	273	176	2	219	183
Skagway-Hoonah-Angoon	107	54	14	65	61	100	53	2	85	72
Southeast Fairbanks	208	107	21	145	123	238	122	5	203	149
Valdez-Cordova	282	197	39	163	142	338	270	7	293	237
Wade Hampton	198	73	3	177	164	270	77	1	255	215
Wrangell-Petersburg	179	90	20	101	81	212	127	0	171	125
Yakutat	24	14	0	17	15	21	9	0	20	18
Yukon-Koyukuk	244	103	14	198	169	269	136	0	246	201
Other/Unknown	27	14	6	6	5	352	182	3	123	87
Total	16,114	8,886	1,989	10,037	8,658	20,413	11,254	142	17,566	14,300

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Outmigration rates for Alaska youth age 17-19 and age 15-16 in 1994 were the highest of any age group. Fully 37.7% of 15-16 year olds and 38.8% of 17-19 year olds no longer resided in Alaska in 2002, compared to 28.7% of all Alaska residents. (See Exhibit 2.) The migration rate for males and females was virtually the same within the 15-16 age group.

Differences in outmigration rates from Alaska by age group were significant, but they varied dramatically depending on the geographic region where the youth lived in 1994. (See Exhibit 3.) Boroughs in Southeast Alaska exhibited the largest outmigration rates for the 15-16 year old population. Only 50.5% of youth from Ketchikan, 52.5% of Juneau youth, and 57.1% of Sitka youth remained in Alaska in 2002.

Some of Alaska's rural boroughs and census areas had very low outmigration rates. Nearly 90 percent of the 1994 Youth in Wade Hampton, 88.5% of youth in Dillingham, 86.2% in Nome, and 84.9% in Bethel were still in the state through 2002.

More than 14 percent of 1994 Youth moved to another borough or census area in Alaska. (See Exhibit 3.) Rural resident youth were just as likely to move to another part of the state as to move outside Alaska. Seeking a wider variety of education or employment opportunities, most of those that moved from a rural area to other parts of Alaska moved to Anchorage or Fairbanks.

Alaska generally has one of the highest interstate migration rates of any state. Outmigration during the 1990s averaged 7.2% per year for the total population. Based upon analysis of IRS tax return data, 46.9% of gross migration (both immigration and outmigration) was with states in the western U.S. Washington and California were the two top states for interstate migration. Alaska youth attended postsecondary schools in these same "magnet" states.

Although some of the regions in Alaska with the highest migration rates had slow growing or declining economies, this was not the entire explanation for this pattern. Some of the rural

regions of Alaska with relatively low migration rates also exhibited slow growth prospects during the 1990s. Clearly, economic, cultural, and environmental factors play a part in the decision to leave Alaska for continuing education and economic opportunities.

There was very little flow from resident to nonresident status and back over the course of the nine years from 1994 through 2002. For those resident youth in 1994 that were still residents in 2002, more than 90 percent had been residents throughout the entire period. Once they left Alaska and became nonresidents, very few resumed residency in later years.

For the more recent study population of Alaska youth age 17-18 in 2000, 86.1% were still residents of Alaska in 2002, based upon Alaska PFD application.

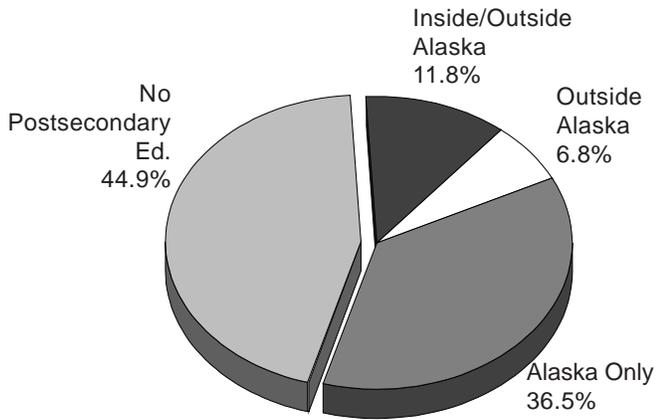
Postsecondary education rates

At least 55.3% (8,903) of the 1994 Alaska Youth population attended one or more postsecondary schools from 1996 through 2002. More than 34 percent (5,537) of these youth pursued their postsecondary education exclusively in Alaska, 7.4% (1,190) went to school exclusively outside Alaska, while 13.5% (2,176) attended postsecondary education institutions both inside and outside the state.

Nationwide, about 63 percent of high school graduates age 16 to 24, and about 43 percent of all 18 to 24-year-olds had enrolled in college in 1999.

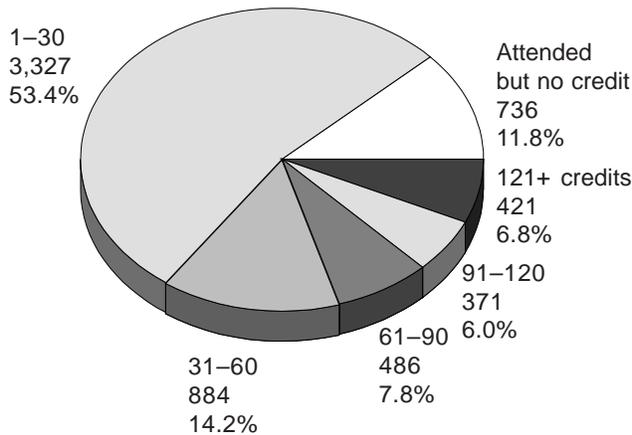
More than 6,200 of Alaska's 1994 Youth attended the University of Alaska at some time from 1996 through 2002. Credits were earned at the University of Alaska from 1996 through 2002 by 34.1% of the 1994 Youth group, with the remainder of those attending having withdrawn, received an incomplete or failed their course(s). Nearly 70 percent of the 1994 Youth that attended a postsecondary institution attended the University of Alaska.

8 Postsecondary Education Status thru 2002—Youth 17-18 in 2000



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

9 Attended University of Alaska By credits earned 1996-2002 – 1994 Youth



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

More than 12 percent (1,989) of the 1994 Youth group had earned one or more degrees and/or certificates as of December 2002. From 1996 through 2002, 838 of the youth earned one or more degrees and certificates of all types from the University of Alaska.

Residency and current employment status varied significantly depending upon the location of reported postsecondary education activity. Those 1994 Youth that reported both in-state and out-of-state postsecondary education had the lowest current Alaska employment and residency; only 25 percent of those youth were residents of Alaska and 18 percent reported working in the state in 2002. (See Exhibit 6.)

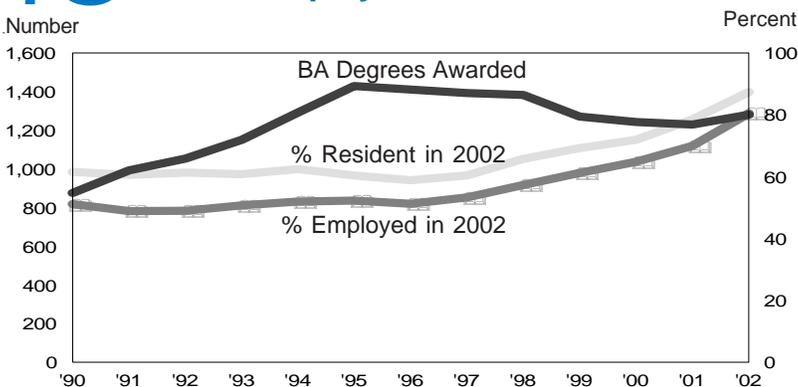
The percent of the 1994 Youth that attended a postsecondary institution varied significantly by place of residence. (See Exhibit 7.) While the overall postsecondary participation rate was 55 percent, the participation rate by borough/census area varied from 25 percent to 70 percent. Surprisingly, rural areas were represented among both the lowest and highest postsecondary participation groups. Lowest postsecondary participation was reported in the North Slope Borough, Northwest Arctic Borough and Bethel Census Area, while the highest rates were reported in Valdez-Cordova Census Area, Denali Borough and Dillingham Census Area.

The 1994 Youth in the urban areas of Anchorage, Fairbanks and Mat-Su attained the largest number of postsecondary degrees or certificates, and urban areas generally had higher rates of attainment. However, Aleutians West Census Area and Denali Borough both had high rates of degree attainment, but with very small total numbers. In general, rural areas fared poorly in terms of degree attainment, with the North Slope Borough and Wade Hampton having less than two percent of their youth reported as receiving a degree or certificate as of 2002.

Postsecondary education for Alaska residents age 17-18 in year 2000

The 20,413 Alaska resident youth age 17-18 in 2000 were matched with University of Alaska and

10 Bachelor Degrees from U of A Percent employed and Alaska resident 2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

National Student Clearinghouse (NSC) files to identify their participation in postsecondary education. (See Exhibits 3 and 4.) Overall participation in postsecondary education mirrored the 1994 Youth group, with a similar 55.1% attending one or more postsecondary institutions. Longer term tracking of the 2000 Youth group will probably result in higher postsecondary education participation rates than the 1994 group.

Although only the most ambitious 17-year-old would have had time to earn a bachelor's degree by the end of 2002, more than 140 youth in this group had earned certificates or associate degrees by that time.

For those youth that had received some postsecondary education as of 2002, two-thirds had received that education exclusively in Alaska. The remainder received some postsecondary education outside the state, with 12.4% continuing their education exclusively outside Alaska.

More females in postsecondary ed

More than 50 percent (4,279) of males and 60.2% (4,602) of females in the 1994 Youth group had some reported postsecondary education. A little less than 10 percent of the males and 15 percent of the females earned a degree. Nearly 59 percent of those with degrees were female. For those attending postsecondary institutions, females were more likely to attend exclusively in Alaska.

Alaska students stay in western U.S.

The 1994 Youth group attended colleges and universities in every state in the union from 2000 to 2002, but most of them attended institutions located in the west coast states. Washington had 530 students from Alaska, Oregon 423, and California 331. Colorado had 213. Utah, Montana, Nevada, and Texas each drew between 113 and 177 of the 1994 Youth.

University of Alaska student data

Nearly 39 percent of the 1994 Youth (6,264 students) attended one or more terms at the

University of Alaska from the fall of 1996 through the fall of 2002. However, a large percentage (46.7%) of them attended for three or fewer terms during the period. More than 62 percent of those youth that attended the University of Alaska at some time during the period began attending by the fall of 1997.

The 1994 Youth group attempted 276,866 credits and earned 207,528. The mean number of credits earned from 1996 through fall 2002 was 33, while the median credits earned was 14. More than 53 percent of the students attending the University of Alaska earned between 1 and 30 credits through the fall 2002, while an additional 11.8% of 1994 Youth attended, but earned no credits. (See Exhibit 9.)

More than 43 percent of the female 1994 Youth group and nearly 35 percent of the males attended the University of Alaska at some time from 1996-2002. Approximately 53 percent of the 1994 Youth group that attended the University of Alaska were female. The average number of credits earned by females was 35.2, while males earned on average 30.8 credits.

As of fall 2002, 838 of the youth cohort had received one or more degrees from the University of Alaska. Based upon the first reported degree awarded, 488 had earned a bachelor's degree, 308 an associate degree, and the remainder had earned advanced degrees or other certifications. Each year, the University of Alaska awards approximately 1,300 bachelor's degrees.

Exhibit 13 shows the number of students who earned degrees and the current resident and employment status for each year's degree recipients. As expected, the more recent University of Alaska graduates have the highest current Alaska residency and employment rates, but those students that earned degrees early in the decade have relatively high and stable current employment and residency rates as well. For the more recent youth cohort, those Alaskans age 17-18 in 2000, 38.6% attended the University of Alaska at some time from 1996 through 2002. Nearly 16 percent were still attending the University of Alaska as of fall 2002.

11 Average Alaska Earnings

By education, 1994 Youth–2002

Nonresident	\$10,644
No Postsecondary reported	\$15,631
No Degree	\$16,902
Attended U of A, No Credits	\$18,025
31–60 U of A Credits	\$18,656
1–30 U of A Credits	\$18,941
Degree, Alaska or Outside	\$19,754
61–90 U of A Credits	\$20,928
U of A Degree	\$21,236
All Youth Workers	\$17,238

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

U of A student employment and earnings

A little more than 4,200 current and former students of the University of Alaska from the 1994 Youth cohort were employed in Alaska in 2002. This group earned more than \$79 million, based upon administrative record matches with Alaska UI wage records. Students who received one or more degrees at the University of Alaska had the highest average total Alaska earnings in 2002. (See Exhibit 12.) Workers that reported earning between 61 and 90 University of Alaska credits had the second highest average earnings.

12 Employment, Earnings, Residency

1994 Youth, U of A students–2002

	1994 Youth*	Resident in 2002	Employed in AK	Total AK Earnings	Average Earnings	Quarters Worked
Total	16,114	10,037	8,659	\$149,262,715	\$17,238	27,434
Attended UA, No Credits Earned	736	533	468	8,435,591	18,025	1,518
1 to 30 Credits Earned	3,327	2,458	2,143	40,589,836	18,941	7,014
31 to 60 Credits Earned	884	701	609	11,361,407	18,656	2,014
61 to 90 Credits Earned	486	431	354	7,408,458	20,928	1,160
91 to 120 Credits Earned	371	344	307	5,256,249	17,121	1,020
121 + Credits Earned	421	391	346	6,088,189	17,596	1,113
Earned One or More Degrees	838	734	657	13,952,018	21,236	2,210
Attended University of Alaska	6,264	4,887	4,255	79,561,938	18,698	13,924
Did Not Attend U A	9,850	5,150	4,404	69,700,777	15,827	13,510

* Age 15–16 in 1994

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

No matter the level of educational attainment, males earned more than females in Alaska in 2002. Male University of Alaska degree recipients earned significantly more than females, although females received a much larger number of degrees and many more of them were employed in Alaska in 2002. (See Exhibit 13.) Females who earned a degree at the University of Alaska had wage and salary earnings approximately 50 percent greater than those females who did not attend the University of Alaska. In 2002, males that did not attend the University had average earnings that were 94% as much as the entire male youth cohort while women earned 83.9% as much as all women in the group.

13 Employment and Earnings

1994 Youth by U of A attendance, sex–2002

	Male			Female		
	1994 Youth*	Employed in AK	Avg. Total Earnings	1994 Youth*	Employed in AK	Avg. Total Earnings
Attended UA, No Credits Earned	424	272	20,064	312	196	15,194
1 to 30 Credits Earned	1,546	985	20,699	1,779	1,156	17,441
31 to 60 Credits Earned	403	284	20,473	481	325	17,068
61 to 90 Credits Earned	239	177	24,719	247	177	17,136
91 to 120 Credits Earned	152	126	18,153	219	181	16,403
121 + Credits Earned	161	123	18,065	260	223	17,337
Earned One or More Degrees	314	237	25,267	524	420	18,961
Did Not Attend University of Alaska	5,511	2,619	17,967	4,327	1,784	12,686
Total	8,458	4,605	19,098	7,642	4,051	15,123

* Age 15–16 in 1994. For some youth gender data was unavailable, causing totals to differ.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

1994 Youth employment and earnings

Total wage and salary earnings in Alaska in 2002 for the 8,659 employed 1994 Youth were \$149.3 million. These workers, representing 53.7% of the total 1994 Youth study group, earned on average \$17,238 in 2002 compared with \$25,808 average annual earnings for all workers employed at some time during the year 2002 in Alaska. The largest number of workers and the largest total earnings were in the Trade, Transportation & Utilities industry. The highest average and median earnings were paid to workers in the Natural Resource & Mining industry. (See Exhibit 15.)

Nearly 53 percent of 1994 Youth employed at some time during 2002 were employed by a single employer. An additional 28.3% of workers were employed by two employers and 12.0% were employed by three. Youth workers were employed an average of 3.2 quarters per year.

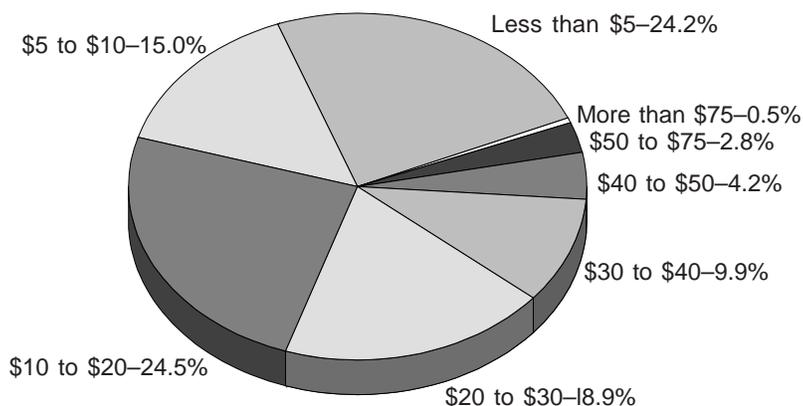
Migration and employment opportunities

The relatively high migration rate among youth from Alaska is the result of many factors. The estimated number of youth leaving the state is quite high, but the overall rate of outmigration has not increased in recent years. In fact, the percentage of 18-year-olds leaving the state in the late 1990s (about 9 percent annually) was lower than at any time during that decade.

Each year during this decade, at least 11,000 Alaska youth will enter the labor force. This increase will be more than matched by a growing number of job openings. Current projections call for an increase in Alaska employment of 16.7% over the 2000 to 2010 time period. This means employment is predicted to grow from 302,255 in 2000 to 352,693 in 2010, or an average annual increase of more than 12,000 jobs over the decade. These projected openings are the combined result of employment growth and net separations from the occupations and do not include jobs resulting from employee turnover.

Positions currently filled by nonresident workers represent potential opportunities for Alaska's workers, including new entrants to the labor force. The Alaska Department of Labor and Workforce Development estimates that there were nearly 68,000 nonresidents employed at some time in Alaska in 2001. Industries, occupations, and employers that have high nonresident hire rates signal an unmet training need and a placement opportunity for Alaska's training programs.

Total Average Earnings—2002 1994 Youth age 15-16 \$Thousands



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Employment and Earnings By industry, 1994 Youth—2002

	Total Workers	Total Earnings	Mean Earnings	Median Earnings
Local Government	932	\$12,563,184	\$13,480	\$9,462
State Government	422	8,104,181	19,204	18,743
Unknown	9	176,494	19,610	11,298
Construction	808	19,437,983	24,057	21,488
Educational and Health Svcs	945	16,555,507	17,519	16,451
Financial Activities	451	8,155,414	18,083	17,446
Information	199	4,741,951	23,829	21,686
Leisure and Hospitality	1,175	11,782,065	10,027	7,197
Manufacturing	216	3,114,855	14,421	9,997
Natural Resources and Mining	312	10,990,562	35,226	32,650
Other Services	365	5,623,264	15,406	13,337
Professional and Business Svcs	715	11,742,102	16,423	13,514
Trade, Transportation, Utilities	2,110	36,275,154	17,192	14,840
Total	8,659	149,262,715	17,238	13,905

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Turnover in the workplace provides additional opportunities. In 2001, there were approximately 200,000 new hires, defined as a worker who had not worked for that employer at any time in the previous four calendar quarters. (See Exhibit 17.) New hires, along with other wage record transaction measures can help to identify employment opportunities for jobseekers and training needs for training providers.

Retirement is another avenue through which job openings occur. Alaska's population is aging rapidly. Assuming no significant change in the average retirement age, the quickly increasing average age of workers suggests that retirement (and death) will play an even larger role in the number of Alaska job openings during the next several years. In 2001, 16.6% of private sector workers in Alaska were age 50 and over, 8.5% age 55 and over. More than 20 percent of oil and health care industry workers are age 50 or older, and in state government, more than 28 percent of all workers are over age 50.

Summary

Alaska youth rates of attendance at postsecondary schools appear to be roughly comparable to those in the rest of the U.S. Among geographic areas in Alaska, the difference in participation rates is large. Overall migration from Alaska continues to be quite high, with the highest rates (about 38 percent) found in the older youth and young adult age groups. Just 62.3 percent of the study group of Alaska youth age 15-16 in 1994 retained their Alaska residency through 2002.

The 1990s was a period of slow economic growth, with a shift in predominant industries from resource extraction to services and retail. During the next ten years, overall employment is expected to exhibit growth, while underlying demographic shifts and turnover will provide an increasing number of job openings for the quickly growing young adult population in Alaska. Changes in the types of workers required and the number of youth seeking postsecondary education will continue to present opportunities and challenges to Alaska's educational institutions over the next ten years.

Methodology

More than 16,000 Alaskans age 15-16 in 1994 (1994 Youth) were identified based upon reported date of birth on their Alaska Permanent Fund Dividend application and matched with unemployment insurance wage records and a variety of administrative data. The group of high school age youth were tracked for the next eight years and their continuing education and employment outcomes were evaluated. No high school graduate database is available for Alaska, so this file was used as a proxy for that information. More than 12,200 high school graduates were reported in Alaska in 1996 and 1997. Another group of 20,413 17-18 year olds in 2000 was selected for tracking short-term postsecondary education choices.

The majority of the study group retained their Alaska residency during the evaluation period and had identifiable postsecondary education both within and outside Alaska. However, no information was found for some youth. No national data were used to identify those employed outside Alaska and no information is available for those that died or left the U.S. during this period. New youth arriving in Alaska after 1994 were also excluded from the group.

16 Employment and Earnings

By educational status 1994 Youth–2002

	1994 Youth	Resident in 2002	Employed in AK	Total Earnings	Avg. Total Earnings	Total Qtrs Worked
Total	16,114	10,037	8,659	\$149,262,715	\$17,238	27,434
Postsecondary Education Status						
No Postsecondary Reported	7,211	4,202	3,623	56,633,076	15,632	11,252
AK Postsecondary Only	5,537	4,679	4,207	80,989,972	19,251	14,055
Outside AK Postsecondary Only	1,190	607	429	6,027,828	14,051	1,117
Inside and Outside AK	2,176	549	400	5,611,840	14,030	1,010
Degree Status (AK and US)						
No Degree Earned	14,125	8,803	7,635	129,034,593	16,900	24,209
One or More Degrees Earned	1,989	1,234	1,024	20,228,122	19,754	3,225

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Administrative Data

The Alaska Permanent Fund Dividend (PFD) is money paid to each Alaska resident from earnings from the Alaska Permanent Fund, an oil revenue funded endowment. In 2002, each Alaskan was paid \$1,542, a significant incentive to complete an application form that collects a few key demographic variables. Age, sex and place of residence information is collected from the file and used to identify the population, identify place of residence by year, determine continued residency and track in-state and estimate out-of-state migration.

Youth's continuing education was tracked using University of Alaska, other Alaska postsecondary education files and National Student Clearinghouse data showing education and degrees obtained in other Alaska schools and in other states. Although not all out-of-state schools and all years were available, the Clearinghouse data helped to fill a gap in information about the large number of Alaskans that pursue postsecondary education outside the state. Not all schools report, and information was not available for all years. The data provided was the best look yet at the postsecondary education activity and outcomes of Alaska youth.

Alaska UI Wage Records and the Occupational Database

In addition to industry and earnings information, Alaska's unemployment insurance (UI) wage record file contains occupation and place of work information for most wage and salary workers in the state. Employers are provided with special occupational coding manuals that assist them in coding each of their workers using the Standard Occupational Classification system. Besides being able to follow the progress of workers through a career ladder, it allows for direct comparison with other occupational information to matching an occupation with the typical education level for that occupation and looking at earnings by occupation. In addition, occupation data attached to each worker helped in determining if workers were employed in an occupation related to their education and training. This information is collectively known as Alaska's Occupational Database (ODB). The Wage Record Interchange System (WRIS) could not be used to track the employment outcomes of youth that were employed outside the state, since that file can be used only for evaluating the performance of certain federally funded training programs, primarily those associated with the Workforce Investment Act.

New Hires by Occupational Group, and quarter, 2001 17

Occupational Category	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Management	1,338	1,351	1,243	1,041
Business and Financial Operations	671	545	504	513
Computer and Mathematical	376	207	210	210
Architecture and Engineering	542	935	464	289
Life, Physical, and Social Science	325	744	331	234
Community and Social Services	645	569	567	622
Legal	107	115	171	102
Education, Training, and Library	1,553	1,784	2,337	3,025
Arts/Design/Entertainment/Sports/Media	486	704	440	504
Healthcare Practitioners and Technical	2,378	1,170	1,135	961
Healthcare Support	1,280	769	690	929
Protective Service	639	716	690	728
Food Preparation and Serving Related	4,560	8,454	5,594	4,528
Building, Grounds Cleaning, Maint.	1,627	3,547	1,682	1,347
Personal Care and Service	1,517	3,818	1,856	2,041
Sales and Related	3,992	7,198	5,153	4,188
Office and Administrative Support	6,718	7,885	6,006	5,410
Farming, Fishing, and Forestry	571	1,254	550	156
Construction and Extraction	4,113	8,935	6,131	3,400
Installation, Maintenance, and Repair	1,988	2,611	1,805	1,441
Production	3,623	4,471	2,892	1,061

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Manufacturing and Natural Resources

Trends in Alaska and the United States

Alaska Employment Scene

by
Neal Gilbertsen
Labor Economist

In October 2003, Alaska had 400 more manufacturing jobs than it did in October 2002. Half of this increase could be attributed to slightly higher seafood processing employment. While the numbers were modest, they were sufficient to temporarily propel Alaska to the head of the nation in terms of the rate of manufacturing job growth. October's four percent over-the-year gain was an aberration and does not reflect the prevailing trend of Alaska's 2003 manufacturing employment. Average annual employment will almost certainly be lower in 2003 than it was in 2002.

Over the past several years the loss of manufacturing jobs has been a cause of national concern. Since 1997, manufacturing jobs have declined by 12.1 percent, from 17,419,000 to 15,306,000 in 2002. Less noticed has been a similar trend in the Natural Resources & Mining sector, which includes such things as logging, mining, and oil and gas extraction. Over the same time period, natural resource related employment has fallen 73,000, from 654,000 to 581,000, which represents an 11.2 percent decline.

The Manufacturing sector plays a relatively small role in Alaska's economy, accounting for only 3.8 percent of total employment. On the national level, manufacturing employment represents 11.7 percent of the nation's jobs. Employment in the Natural Resource and Mining sector is, however, a much larger part of the state's economy (3.7 percent) than it is of the national economy, (four tenths of a percent).

If these two sectors are grouped together, the national employment decline of 12.1 percent since 1997 is slightly exceeded by Alaska's decline of 13 percent. The impact of this downturn is somewhat mitigated by the fact that employment in the two sectors represents only 7.4 percent of the state's total jobs, but 12.2 percent of national employment. Moreover, Alaska's overall loss of 3,300 jobs is dwarfed by the national decline of 2,186,000.

Still, there are useful comparisons to be made. While Alaska has been largely insulated from the national recession and continued to add jobs during an extended period of national job losses, the decline in manufacturing and natural resource extraction is troubling. Employment declines in these sectors have especially impacted coastal and rural Alaska.

Seafood processing dominates manufacturing employment in Alaska and this industry has shown a consistent downward trend for the last decade, falling from 11,200 in 1992 to 7,400 in 2002. Declines in wood products manufacturing have also contributed to the losses in this sector. In natural resource related employment, the loss of jobs in oil and gas extraction, and logging, has been partially offset by gains in mining. Still, as a percentage of Alaska's total employment, this sector has also declined.

On the national scene, many manufacturing jobs have been moved offshore, or have simply been

eliminated by foreign competition. In some industries, gains in productivity have allowed sustained or even increased output with fewer workers.

In Alaska, similar trends seem to be at work. Growing competition from Canadian and Chilean farmed salmon have forced seafood processors to seek efficiencies, some of which have involved plant closures as well as minimizing expenditures on workforces. (See *Alaska Economic Trends* October 2003.) The October 2003 issue of *Marine Digest* also suggests that some processing jobs are being relocated to China and elsewhere in Asia. Still, the reduced Alaska workforce handles the harvest of the world's largest food fishery, and supports the largest port of landing by volume in the United States at Dutch Harbor. Moreover, it continues to process large salmon returns.

In a similar way, logging and the wood products industries face growing competition from tree farms in developing nations, raw logs from Russia and wood products from China based on Russian timber. (See *Trends* December 2003.)

While many different factors come into play within each affected industry, the broad general trend of globalization has impacted both Alaska and the nation as a whole. Multinational firms have increasingly located extraction and production facilities offshore, in low cost areas. Smaller domestic firms, facing competition from low priced imports, have sought the efficiencies of smaller workforces, or in some cases have simply closed their doors.

In Alaska, it is the geographical distribution of these jobs that perhaps holds the most explanatory value. In 2002, Anchorage/Mat-Su accounted for 156,250 of the state's 295,800 total average annual monthly employment. Only 2,850 of the state's 10,800 Manufacturing and Natural Resources & Mining jobs were located in the region. These two sectors accounted for just 3.2 percent of the urban area's jobs, while they accounted for 12.2 percent of the balance of the state. This higher percentage was identical to that of the nation as a whole.

It would seem the decline in manufacturing and

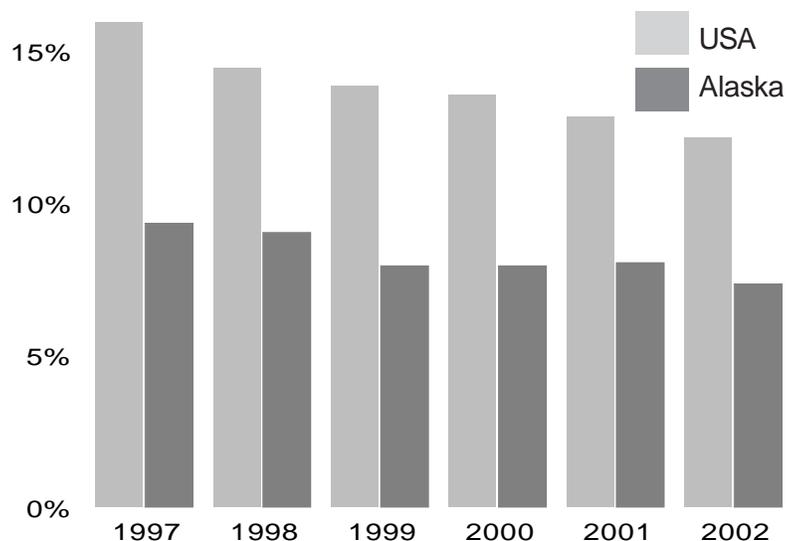
natural resource related employment, both relatively and absolutely, impacts the rural and coastal areas of Alaska far more severely than it does Anchorage. These data point to an explanation involving two Alaska economies, one an urban service based economy which is experiencing healthy growth, and the second a more struggling rural economy which has traditionally relied upon resource extraction and manufacturing.

This is somewhat different from the national scene, where the impacts of manufacturing job losses have been more severe, especially in urban industrial areas. Unlike most of the nation, manufacturing jobs in Alaska tend to be scattered in small communities in close proximity to the natural resources upon which they are based. Often a particular mill or processing plant represents the community's largest private sector employer. When jobs are cut back or eliminated, alternative employment opportunities are limited, and displaced workers are often forced to relocate.

The trend towards fewer jobs in these two sectors has continued through 2003, with most of the over-the-year reductions coming in resource extraction. Manufacturing employment has also been below last year's totals for seven of the ten months estimated to date. In only one month, October, has this sector shown over-the-year

(continued on page 30)

Manufacturing and Natural Resources as percent of total employment



Source: U.S. Bureau of Labor Statistics

2 Nonfarm Wage and Salary Employment

By place of work

Alaska	preliminary revised		Changes from:			Municipality of Anchorage	preliminary revised		Changes from:		
	10/03	9/03	10/02	9/03	10/02		10/03	9/03	10/02	9/03	10/02
Total Nonfarm Wage & Salary¹	302,500	314,200	298,600	-11,700	3,900	Total Nonfarm Wage & Salary¹	147,700	149,200	145,500	-1,500	2,200
Goods Producing	38,000	43,100	38,100	-5,100	-100	Goods Producing	13,500	14,100	13,600	-600	-100
Services Providing	264,500	271,200	260,500	-6,700	4,000	Services Providing	134,200	135,100	131,900	-900	2,300
Natural Resources & Mining	9,900	10,000	10,800	-100	-900	Natural Resources & Mining	2,400	2,400	2,700	0	-300
Logging	700	800	600	-100	100	Mining	2,300	2,300	2,600	0	-300
Mining	9,800	9,800	10,100	0	-300	Oil & Gas	2,200	2,100	2,500	100	-300
Oil & Gas	7,800	7,800	8,500	0	-700	Construction	9,200	9,800	8,900	-600	300
Construction	18,000	19,600	17,700	-1,600	300	Manufacturing	1,900	1,900	2,000	0	-100
Manufacturing	10,000	13,500	9,600	-3,500	400	Trade, Transportation, Utilities	33,000	33,400	33,000	-400	0
Wood Products Manufacturing	300	400	300	-100	0	Wholesale Trade	4,600	4,600	4,700	0	-100
Seafood Processing	6,200	9,400	6,000	-3,200	200	Retail Trade	17,800	17,700	17,600	100	200
Trade, Transportation, Utilities	60,900	63,400	60,600	-2,500	300	Food & Beverage Stores	2,400	2,400	2,300	0	100
Wholesale Trade	6,100	6,300	6,200	-200	-100	General Merchandise Stores	4,400	4,300	4,500	100	-100
Retail Trade	34,200	35,100	34,100	-900	100	Trans/Warehousing/Utilities	10,600	11,100	10,700	-500	-100
Food & Beverage Stores	5,900	6,000	5,700	-100	200	Air Transportation	3,300	3,400	3,200	-100	100
General Merchandise Stores	9,100	8,900	9,700	200	-600	Information	4,700	4,700	4,700	0	0
Trans/Warehousing/Utilities	20,500	22,100	20,400	-1,600	100	Telecommunications	2,700	2,700	2,700	0	0
Air Transportation	5,800	6,600	5,800	-800	0	Financial Activities	8,700	8,800	8,300	-100	400
Truck Transportation	2,800	2,800	2,700	0	100	Professional & Business Svcs	18,200	18,500	17,700	-300	500
Information	7,200	7,200	7,200	0	0	Educational & Health Services	17,700	17,500	16,500	200	1,200
Telecommunications	4,200	4,300	4,300	-100	-100	Health Care/Social Assistance	16,200	16,000	15,100	200	1,100
Financial Activities	14,200	14,400	13,700	-200	500	Ambulatory Health Care	7,100	7,000	6,300	100	800
Professional & Business Svcs	24,600	25,300	23,900	-700	700	Hospitals	4,800	4,800	4,600	0	200
Educational & Health Services	32,800	32,500	30,700	300	2,100	Leisure & Hospitality	15,000	15,400	14,500	-400	500
Health Care/Social Assistance	30,600	30,400	28,600	200	2,000	Accommodation	3,000	3,300	2,800	-300	200
Ambulatory Health Care	13,000	13,000	12,200	0	800	Food Svcs & Drinking Places	10,200	10,300	9,900	-100	300
Hospitals	8,200	8,100	7,500	100	700	Other Services	6,200	6,100	6,300	100	-100
Leisure & Hospitality	28,500	32,900	28,300	-4,400	200	Government²	30,800	30,700	30,900	100	-100
Accommodation	6,900	9,400	6,700	-2,500	200	Federal Government ³	9,500	9,700	9,700	-200	-200
Food Svcs & Drinking Places	17,400	19,200	17,000	-1,800	400	State Government	9,900	9,900	9,900	0	0
Other Services	12,700	12,700	12,600	0	100	Local Government	11,400	11,100	11,400	300	0
Government²	83,600	82,600	83,400	1,000	200	Tribal Government	300	300	300	0	0
Federal Government ³	17,100	17,500	17,300	-400	-200						
State Government	24,500	24,700	24,200	-200	300						
Local Government	42,000	40,500	41,900	1,500	100						
Tribal Government	3,800	3,400	3,900	400	-100						

Notes to Exhibits 2, 3, 4, & 6—¹Nonfarm excludes self-employed workers, fishermen, domestics, and unpaid family workers as well as agricultural workers. ²Includes employees of public school systems and the University of Alaska. ³Excludes uniformed military. Exhibits 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. Exhibits 4 & 6—Prepared in part with funding from the Employment Security Division.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

3 Hours and Earnings

For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 10/03	revised 9/03	revised 10/02	preliminary 10/03	revised 9/03	revised 10/02	preliminary 10/03	revised 9/03	revised 10/02
Mining	\$1,299.46	\$1,332.90	\$1,124.60	42.3	42.9	41.9	\$30.72	\$31.07	\$26.84
Construction	1,253.06	1347.68	1115.70	43.6	45.3	41.2	28.74	29.75	27.08
Manufacturing	489.24	526.00	413.47	40.4	46.1	31.3	12.11	11.41	13.21
Seafood Processing	402.99	598.58	303.55	43.1	57.5	29.3	9.35	10.41	10.36
Trade, Transportation, Utilities	519.30	549.14	540.29	34.3	34.3	33.6	15.14	16.01	16.08
Retail Trade	435.01	458.33	467.86	33.8	33.8	32.4	12.87	13.56	14.44
Financial Activities	686.21	655.74	635.30	35.1	34.1	32.9	19.55	19.23	19.31

Average hours and earnings estimates are based on data for full-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.

Benchmark: March 2002

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

4 Nonfarm Wage and Salary Employment

By place of work

	preliminary revised		Changes from:		
	10/03	9/03	10/02	9/03	10/02
Fairbanks					
North Star Borough					
Total Nonfarm Wage & Salary¹	35,650	37,100	35,350	-1,450	300
Goods Producing	4,300	4,600	4,200	-300	100
Services Providing	31,350	32,500	31,200	-1,150	150
Natural Resources & Mining	900	950	950	-50	-50
Mining	900	950	950	-50	-50
Construction	2,800	3,050	2,700	-250	100
Manufacturing	600	600	550	0	50
Trade, Transportation, Utilities	6,800	7,200	7,000	-400	-200
Retail Trade	4,000	4,050	4,150	-50	-150
General Merchandise Stores	1,000	1,000	1,150	0	-150
Trans/Warehousing/Utilities	2,250	2,650	2,350	-400	-100
Air Transportation	900	850	850	50	50
Information	600	650	600	-50	0
Financial Activities	1,300	1,350	1,300	-50	0
Professional & Business Svcs	1,800	2,050	1,700	-250	100
Educational & Health Services	3,600	3,600	3,500	0	100
Health Care/Social Assistance	3,400	3,450	3,300	-50	100
Leisure & Hospitality	3,650	4,100	3,650	-450	0
Accommodation	900	1,250	900	-350	0
Food Svcs & Drinking Places	2,300	2,450	2,300	-150	0
Other Services	1,900	1,950	2,000	-50	-100
Government²	11,650	11,650	11,500	0	150
Federal Government ³	3,250	3,400	3,300	-150	-50
State Government	5,250	5,250	5,000	0	250
Local Government	3,150	3,000	3,200	150	-50
Tribal Government	0	0	0	0	0

Southeast Region

Total Nonfarm Wage & Salary¹	35,550	39,300	35,350	-3,750	200
Goods Producing	4,050	5,500	4,050	-1,450	0
Services Providing	31,450	33,800	31,350	-2,350	100
Natural Resources & Mining	700	850	700	-150	0
Logging	400	550	400	-150	0
Mining	300	300	300	0	0
Construction	1,800	1,900	1,850	-100	-50
Manufacturing	1,550	2,800	1,500	-1,250	50
Wood Products Mfg.	150	150	200	0	-50
Seafood Processing	1,150	2,250	1,100	-1,100	50
Trade, Transportation, Utilities	6,550	7,650	6,650	-1,100	-100
Retail Trade	4,150	4,700	4,150	-550	0
Trans/Warehousing/Utilities	1,950	2,500	2,050	-550	-100
Information	500	500	500	0	0
Financial Activities	1,300	1,350	1,250	-50	50
Professional & Business Svcs	1,450	1,550	1,450	-100	0
Educational & Health Services	3,550	3,500	3,450	50	100
Health Care/Social Assistance	3,350	3,300	3,200	50	150
Leisure & Hospitality	3,300	4,600	3,350	-1,300	-50
Accommodation	950	1,650	950	-700	0
Food Svcs & Drinking Places	1,550	1,800	1,550	-250	0
Other Services	1,150	1,150	1,150	0	0
Government²	13,700	13,500	13,550	200	150
Federal Government ³	2,000	2,050	1,950	-50	50
State Government	5,600	5,700	5,550	-100	50
Local Government	6,050	5,750	6,050	300	0
Tribal Government	550	600	550	-50	0

	preliminary revised		Changes from:		
	10/03	9/03	10/02	9/03	10/02
Interior Region					
Total Nonfarm Wage & Salary¹	41,950	44,400	41,650	-2,450	300
Goods Producing	4,600	4,950	4,450	-350	150
Services Providing	37,350	39,450	37,200	-2,100	150
Natural Resources & Mining	1,050	1,100	1,000	-50	50
Mining	1,000	1,050	1,000	-50	0
Construction	2,950	3,250	2,850	-300	100
Manufacturing	600	650	600	-50	0
Trade, Transportation, Utilities	8,300	8,500	8,450	-200	-150
Information	850	850	850	0	0
Financial Activities	1,400	1,400	1,350	0	50
Professional & Business Svcs	2,000	2,200	1,650	-200	350
Educational & Health Services	3,650	3,750	3,600	-100	50
Leisure & Hospitality	4,500	6,000	4,400	-1,500	100
Accommodation	1,400	2,100	1,300	-700	100
Food Svcs & Drinking Places	2,650	3,550	2,650	-900	0
Other Services	2,100	2,200	2,350	-100	-250
Government²	14,550	14,450	14,550	100	0
Federal Government ³	3,850	4,050	3,900	-200	-50
State Government	5,500	5,500	5,300	0	200
Local Government	5,200	4,950	5,300	250	-100
Tribal Government	250	250	300	0	-50

Anchorage/Mat-Su Region

Total Nonfarm Wage & Salary¹	163,750	165,100	160,250	-1,350	3,500
Goods Producing	15,200	16,200	15,250	-1,000	-50
Services Providing	148,550	148,900	145,000	-350	3,550
Natural Resources & Mining	2,450	2,500	2,800	-50	-350
Construction	10,600	11,550	10,350	-950	250
Manufacturing	2,150	2,150	2,150	0	0
Trade, Transportation, Utilities	36,950	37,050	36,500	-100	450
Information	5,150	5,100	5,200	50	-50
Financial Activities	9,400	9,450	8,850	-50	550
Professional & Business Svcs	19,050	19,450	18,550	-400	500
Educational & Health Services	19,750	19,500	18,400	250	1,350
Leisure & Hospitality	16,550	17,150	16,050	-600	500
Other Services	7,000	6,950	6,700	50	300
Government²	34,800	34,250	34,700	550	100
Federal Government ³	9,650	9,900	9,850	-250	-200
State Government	10,850	10,850	10,850	0	0
Local Government	14,300	13,500	14,000	800	300
Tribal Government	350	350	350	0	0

Gulf Coast Region

Total Nonfarm Wage & Salary¹	27,100	29,700	27,250	-2,600	-150
Goods Producing	5,550	6,500	5,700	-950	-150
Services Providing	21,550	23,200	21,500	-1,650	50
Natural Resources & Mining	1,150	1,250	1,300	-100	-150
Oil & Gas Extraction	1,050	1,100	1,150	-50	-100
Construction	1,800	1,900	1,750	-100	50
Manufacturing	2,600	3,350	2,650	-750	-50
Seafood Processing	1,850	2,700	1,900	-850	-50
Trade, Transportation, Utilities	5,150	5,850	5,300	-700	-150
Retail Trade	3,100	3,450	3,200	-350	-100
Trans/Warehousing/Utilities	1,800	2,100	1,750	-300	50
Information	450	450	450	0	0
Financial Activities	900	900	900	0	0
Professional & Business Svcs	1,250	1,350	1,300	-100	-50
Educational & Health Services	2,000	1,950	1,850	50	150
Health Care/Social Assistance	1,900	1,850	1,750	50	150
Leisure & Hospitality	3,100	3,700	3,000	-600	100
Accommodation	1,100	1,450	1,050	-350	50
Food Svcs & Drinking Places	1,700	1,900	1,700	-200	0
Other Services	1,350	1,400	1,350	-50	0
Government²	7,450	7,600	7,400	-150	50
Federal Government ³	850	1,000	800	-150	50
State Government	1,700	1,750	1,650	-50	50
Local Government	4,900	4,850	4,950	50	-50
Tribal Government	400	400	350	0	50

5 Unemployment Rates

By region and census area

Not Seasonally Adjusted*	preliminary	revised	10/02
	10/03	09/03	
United States	5.6	5.6	5.3
Alaska Statewide	6.8	6.8	7.5
Anchorage/Mat-Su Region	5.3	5.6	5.9
Municipality of Anchorage	4.9	5.2	5.3
Mat-Su Borough	7.1	7.5	8.5
Gulf Coast Region	10.4	9.2	11.6
Kenai Peninsula Borough	10.9	10.4	12.3
Kodiak Island Borough	8.3	5.7	7.4
Valdez-Cordova	10.9	8.5	13.9
Interior Region	6.5	6.2	7.3
Denali Borough	16.1	6.6	14.9
Fairbanks North Star Borough	5.7	5.7	6.3
Southeast Fairbanks	9.7	8.4	13.6
Yukon-Koyukuk	14.2	13.4	15.5
Northern Region	14.8	17.0	14.7
Nome	13.8	14.6	12.1
North Slope Borough	14.8	17.2	13.9
Northwest Arctic Borough	16.4	20.0	19.3
Southeast Region	7.3	6.3	7.7
Haines Borough	11.2	7.7	14.8
Juneau Borough	5.7	5.4	6.2
Ketchikan Gateway Borough	7.9	5.7	9.2
Prince of Wales-Outer Ketchikan	10.2	12.6	11.8
Sitka Borough	6.0	5.2	5.7
Skagway-Hoonah-Angoon	12.6	6.5	12.3
Wrangell-Petersburg	8.9	7.3	6.0
Yakutat Borough	9.7	6.3	6.4
Southwest Region	12.6	13.2	13.0
Aleutians East Borough	4.3	3.9	3.6
Aleutians West	8.4	6.5	8.5
Bethel	14.2	15.0	14.2
Bristol Bay Borough	9.0	9.0	10.1
Dillingham	10.9	10.8	12.6
Lake & Peninsula Borough	12.6	11.8	14.2
Wade Hampton	21.6	25.5	22.4
Seasonally Adjusted			
United States	6.0	6.1	5.8
Alaska Statewide	7.3	7.8	8.2

2002 Benchmark

Comparisons between different time periods are not as meaningful as other time series produced by Research and Analysis. The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. They are considered not in the labor force.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

(continued from page 27)

growth. Because Alaska's economy has continued to add jobs over this period, the relative share of total employment represented by these two sectors has continued to decline, and will likely show an over-the-year loss in the range of 0.5 percent from last year's 7.4 percent of total employment.

Nationally, there is some evidence that the rate of manufacturing job loss is slowing, and further that overall economic growth has already translated into slow employment growth in some industries. Alaska's economic indicators also seem to be showing some hopeful signs.

According to BLS releases, Alaska and Arizona were tied for seventh place in October's over-the-year-job growth, adding jobs at an annual rate of 1.27 percent. While Alaska led the nation in this month's manufacturing job increases, growing at four percent, it ranked 42nd in natural resource related employment, with an over-the-year rate of -8.3 percent.

Still, the fact that Alaska has consistently added jobs during a period of national job losses bodes well. Most of Alaska's employment growth is attributable to Anchorage, and to employment gains in service industries. These additions have been important in offsetting statewide losses in resource-based employment and manufacturing jobs. Moreover, they would seem to indicate that Alaska has been more fortunate than most states in fitting into a rapidly changing global economy.

6 Nonfarm Wage/Salary Employment

By place of work

Northern Region	preliminary	revised	Changes from:		
	10/03	9/03	10/02	9/03	10/02
Total Nonfarm Wage & Salary¹	15,750	15,950	16,150	-200	-400
Goods Producing	4,900	4,900	5,400	0	-500
Services Providing	10,850	11,050	10,750	-200	100
Oil & Gas Extraction	4,100	3,950	4,300	150	-200
Government²	5,400	5,500	5,350	-100	50
Federal Government ³	200	200	150	0	50
State Government	350	350	350	0	0
Local Government	4,850	4,900	4,850	-50	0
Tribal Government	600	600	550	0	50

Southwest Region

Total Nonfarm Wage & Salary¹	18,200	19,600	17,800	-1,400	400
Goods Producing	3,500	4,750	3,200	-1,250	300
Services Providing	14,700	14,850	14,600	-150	100
Seafood Processing	3,150	4,450	2,900	-1,300	250
Government²	7,650	7,450	7,700	200	-50
Federal Government ³	350	450	350	-100	0
State Government	550	550	550	0	0
Local Government	6,750	6,450	6,800	300	-50
Tribal Government	1,450	1,300	1,650	150	-200

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Employer Resources

The Division of Vocational Rehabilitation is in the Department of Labor and Workforce Development. From the DVR web site you can find answers to questions about accessibility requirements, reasonable accommodation, and information on the Americans with Disabilities Act. Click on "Employers" at the top of www.labor.state.ak.us/, then click on "Vocational Rehabilitation" for more information.

